

# Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

Date: Monday 14 February 2022  
Time: 2.00 pm  
Venue: Microsoft Teams

## Membership

Martin Reohorn (Chair)  
Barnaby Briggs  
Caroline Jones  
Sian Marsh  
Paul Morley  
Tony Morgan  
Councillor John Horner

Items on the agenda: -

1. **General**
  - (1) Apologies
  - (2) **Board Members' Disclosures of Interest**  
(As stipulated by the Public Sector Pensions Act 2013 and set out in Annex A of the Agreed Board Terms of Reference).
  - (3) **Minutes of the Previous Meeting** 5 - 8
2. **Risk Register** 9 - 20
3. **Forward Plan** 21 - 24
4. **Policy Update** 25 - 28
5. **Pensions Administration Service Activity and Performance Update** 29 - 114
6. **Any Other Business**

## **7. Future Meeting Dates**

Monday, 6 June 2022

Tuesday, 13 September 2022

Monday, 7 November 2022

Monday, 13 February 2023

All meetings start at 2.00pm, unless specified otherwise and will be scheduled to take place virtually or at Shire Hall, Warwick.

**Monica Fogarty**  
Chief Executive  
Warwickshire County Council  
Shire Hall, Warwick

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## Disclaimers

### Disclosures of Pecuniary and Non-Pecuniary Interests

Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. Any changes to matters registered or new matters that require to be registered must be notified to the Monitoring Officer as soon as practicable after they arise.

A member attending a meeting where a matter arises in which they have a disclosable pecuniary interest must (unless they have a dispensation):

- Declare the interest if they have not already registered it
- Not participate in any discussion or vote
- Leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests relevant to the agenda should be declared at the commencement of the meeting.

The public reports referred to are available on the Warwickshire Web  
<https://democracy.warwickshire.gov.uk/uuCoverPage.aspx?bcr=1>

### Observing the Meeting

Scheme members and scheme employers who wish to observe the meeting should contact Democratic Services by email ([democraticservices@warwickshire.gov.uk](mailto:democraticservices@warwickshire.gov.uk)) to request a joining link.

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# Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

Tuesday 9 November 2021

## Minutes

### Attendance

#### Committee Members

Martin Reohorn (Chair)  
Barnaby Briggs  
Caroline Jones  
Sian Marsh  
Paul Morley

#### Officers

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance  
Liz Firmstone, Service Manager (Transformation)  
Victoria Jenks, Pensions Admin Delivery Lead  
Ian Marriott, Delivery Lead – Commercial and Regulatory  
Deborah Moseley, Senior Democratic Services Officer

### 1. General

### 2. Apologies

Tony Morgan

### 3. Board Members' Disclosures of Interest

None.

#### (1) Minutes of the Previous Meeting

The minutes of the previous meeting were agreed as a true and accurate record.

Board Members received confirmation that a report would be presented to the next meeting of the Full Council seeking appointment to the vacant seat on the Board.

#### **4. Chair's Annual Report to the Board 2020/21**

The Chair presented his annual report which would be placed before the next meeting of the Pension Fund Investment Sub Committee.

The report was noted.

#### **5. Forward Plan**

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance, presented this report to the Board which set out a rolling forward plan for a one-year period.

In response to questioning regarding the new administration service, the Board were advised that a representative of West Yorkshire Pension Fund would attend a future Board meeting to provide an administrative update and the Warwickshire Pension Service would report on contractual updates.

The Board noted the Forward Plan.

#### **6. Risk Management**

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance, presented this report which provided an update on the risks facing the administration of the pension service and actions taken to manage them. Risks related to the coronavirus pandemic had been reviewed, based on the experience of the service to date which had resulted in a slightly lower risk score. Officers had also begun to look at the risks presented by the appointment of an external administrator and the associated impact on existing risk factors.

The Chair sought further information regarding cyber security which had received a relatively high rating. Neil Buxton noted that this reflected the position for the whole industry, due to the emphasis placed on cyber security by The Pensions Regulator for both public and private pension funds. He advised that the Cyber Security Policy was due to be presented to the Board in February 2022. The service was reliant upon Warwickshire County Council infrastructure for cyber security which provided a degree of comfort and conversations were ongoing with colleagues in ICT to conduct penetration testing, scenario testing and an external audit. Risks in relation to the transfer of administrative activity to West Yorkshire Pension Fund would need to be addressed. Vicky Jenks, Pensions Admin Delivery Lead, advised that the transfer was at the mobilisation stage and significant liaison was taking place with the information security team. A security risk assessment would need to be completed to ensure that West Yorkshire Pension Fund had sufficient policies in place to manage the cyber risk and would be able to meet the Pension Fund's security criteria.

The Board welcomed the cautious approach and noted the report.

#### **7. Pensions Administration Activity and Performance Update**

Vicky Jenks, Pensions Admin Delivery Lead, presented this report which provided an update on key developments affecting Fire pensions administration and the performance of the Pensions Administration Service as comprehensively set out in the report, including the change of service

provider, breaches, internal dispute resolution procedure, pension savings statements, an update on McCloud/Sargeant and the Matthews/O'Brien case.

In response to a question regarding the process in terms of annual allowance breaches, Vicky Jenks advised that pension savings statements would show occasions when there had been a breach but it had been possible to carry over any previous allowance to mitigate the tax charge; when the annual allowance had been exceeded resulting in a tax charge, the service tried to provide forewarning to the member involved. Paul Morley noted that communications in this respect had been very good in recent years and commented that it would be helpful to be in a position where it was possible to alert members to the tax impacts of decisions taken around promotions etc. Vicky Jenks responded that awareness raising communication around the situations that caused an individual to exceed the annual allowance was being considered.

In response to a question regarding McCloud/Sargeant and the payment of claims, Vicky Jenks advised that any individuals who had retired since the issue of the Home Office guidance had been processed as immediate detriment cases and paid based on the legacy scheme.

In relation to the approach to the Matthews/O'Brien case, Vicky Jenks noted that guidance on how to work out benefits when there was no pay data available was awaited. Payroll had advised that year end data was available in to the 1990s. In terms of the first exercise, it was understood that an average for each station and callouts would be used to provide each member with a pension based on that average. In instances when the data was not available, the data from a similar fire service could be utilised. She noted that it would be a very complicated situation and that there would need to be some collaboration to see what data FRAs were using to reach a reasonable assumption as to what pension benefits should look like. There was some discussion around the archives that might be useable if it was legally possible to do so but some archived records may have been disposed of in the recent Bin Scan Store project.

In response to a question regarding regional collaboration, Vicky Jenks advised that four pension funds across the region had outsourced administration to West Yorkshire Pension Fund. A meeting had been held on 8 November 2021 to test the appetite for collaboration as a group of customers to ensure that the needs of all four FRAs were being met and to identify any efficiencies of scale could be generated through adopting similar methods of working with West Yorkshire Pension Fund. This had generated some interest from the FRAs and more collaboration meetings would follow.

The Chair asked about the delegations that had been agreed by the authority in respect of voluntary scheme pays as opposed to mandatory scheme pays and Vicky Jenks advised that fire scheme discretions, including scheme pays, would be reviewed to ensure they were adequate.

The Board noted the update.

## **8. Any Other Business**

None.

## 9. Future Meeting Dates

The dates of future meetings were noted and whilst it was hoped to meet in person in the near future this would be subject to any restrictions in place.

The meeting rose at 2.35pm

.....  
Chair



## Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

**14 February 2022**

### Warwickshire Fire and Rescue Local Pension Board, Risk Management

#### **Recommendation(s)**

1. That the Warwickshire Fire and Rescue Local Pension Board note and comment on the report and the attached risk register (Appendix 2).

#### **1. Executive Summary**

- 1.1 The Pension Service maintains a risk register in order to manage the risks facing the administration of the Fire Pension Service.
- 1.2 Risk monitoring is reported quarterly to the Warwickshire Fire and Rescue Local Pension Board (the Board) to improve the governance of the service.
- 1.3 A number of risks have been identified, including the impact of Covid presenting challenges to business operations and business continuity, and challenging governmental developments, for example in respect of the Sergeant / McCloud remedy, together with the review of the administration service with the move to an alternative provider.
- 1.4 When monitoring risk, the service will continue to look out for emerging and changing risks.

#### **2. Risk Appetite**

- 2.1 The table below sets out a risk appetite classification that has been adopted based upon a widely used form of assessment.

<b>Risk Appetite</b>	<b>Risk Appetite Description</b>
Averse	Avoidance of risk and uncertainty is a key organisational objective.
Minimalist	Uncertainty is to be avoided unless essential; only prepared to accept the possibility of very limited financial loss.

Cautious	Tolerance for risk taking is limited to events where there is little chance of significant downside impact.
Open	Tolerance for decisions with potential for significant risk, but there with appropriate steps to minimise exposure.
Hungry	Eager to pursue options offering potential higher rewards despite greater inherent risk.

2.2 The table below sets out a risk appetite at a high level. This is intended to illustrate risk appetite and promote discussion; it is not a definitive or an approved statement of risk appetite for the service.

Risk Category	Description	Risk Appetite
Administration – member services	Risk of failure to pay benefits or failure to maintain complete and correct data.	Averse
Administration – employer services	Risk of failure to collect appropriate data or contributions from the employer.	Averse

2.3 The service will only choose to take risks that are expected to be appropriately rewarded, and to mitigate or avoid risks where this is not the case.

2.4 This sets out certain categories within which to consider risk appetite (risk appetite should be categorised in relation to appetite for risk, not in relation to risk experience), therefore, the headings should not necessarily align with the risk register.

2.5 The service is responsible for paying pensions accurately and on time when they are due and correctly following legislation and regulations. It is a service where there are no necessary opportunities to be gained from risk taking, hence a low appetite for risk is recommended above.

### 3. Risk Register

3.1 Risk is assessed on a five point scale across likelihood and impact, with impact weighted as follows:

$$\text{Total Risk} = (\text{Likelihood} \times \text{Impact}) + \text{Impact}$$

3.2 Risks with a high impact / low probability should be prioritised because over a long time span low probability events are more likely to occur eventually.

3.3 The most important issue is that the risk register broadly captures the most significant strategic risks; it is less important that each score is completely accurate. There is an element of subjectivity to scoring because risk is, by its nature, to do with uncertainty. Likelihood definitions are set out below.

Score	Description	Likelihood of
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			<b>occurrence</b>
1	Highly likely	The event may occur in only rare circumstances (remote chance)	1 in 8 + years
2	Unlikely	The event may occur in certain circumstances	1 in 4 – 7 years
3	Possible	The event may occur (realistic chance)	1 in 2 – 3 years
4	Probable	The event will probably occur (significant chance)	1 in 1 – 2 years
5	Very likely	The event is expected to occur regularly	Up to 1 in every year

- 3.4 Appendix 1 sets out definitions for impact scores, including examples. These result in a scoring matrix as follows, which illustrates the increased emphasis on impact compared to likelihood:

Risk Identification		Inherent Risk Scoring			Residual Risk Scoring		
Risk No.	Risk Description	Likelihood	Impact	Risk Score	Likelihood	Impact	Risk Score
1	Covid Pandemic	5.00	5.00	30.00	3.00	2.00	12.00
2.	Inability to meet demand for activity	5.00	3.00	18.00	4.00	3.00	15.00
3	Business interruption	3.00	4.00	16.00	2.00	3.00	9.00
4	Cyber Security	4.00	5.00	25.00	3.00	4.00	16.00
5	Data quality	3.00	3.00	12.00	2.00	2.00	6.00
6	Fraud	4.00	3.00	15.00	3.00	3.00	12.00
7	Governance failure	3.00	4.00	16.00	2.00	3.00	9.00

- 3.5 Appendix 2 sets out the risk register.
- 3.6 Although the risk register is intended to be strategic, it still contains a lot of information. It is important for the service to ensure a focus on the most important risks, and the Board are invited to comment on key risks which should receive particular attention over the next year.

#### 4. Outsourcing Arrangements for Risk Management

- 4.1 Work is underway to clarify where responsibility for each risk rests under the new outsourced pensions administration arrangements. Officers have reviewed the risk register in order to allocate responsibility, and this will be discussed and finalised with WYPF ahead of the transfer of the service.

#### 5. Financial Implications

None

#### 6. Environmental Implications

None

#### 7. Supporting Information

None

#### 8. Timescales associated with the decision and next steps

- 7.1 As part of the transition to the new administrator officers are continuing to review the Risk Register, and are working to assign risks to the respective parties to ensure they continue to be managed effectively.

#### Appendices

1. Appendix 1 Impact scores
2. Appendix 2 Risk Register

#### Background Papers

None.

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: n/a



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## Risk Impact

## Appendix 1

Score	Description	Members and Employer	Administration
1	Insignificant	<p>Negligible impact - not noticeable by members or employer, no complaints, or issues likely to be raised by members or employers.</p> <p><b>Example</b>  <b>Member or employer communication newsletter issued a few days later than planned.</b></p>	<p>Negligible impact - low level administrative issues resolved internally with no impact on key performance indicators</p> <p><b>Example</b>  <b>A manageable backlog of data to be uploaded to the administration system that has no impact on actual member payments.</b></p>
2	Minor	<p>Minor impact on members and/or employer which may cause correspondence about issues that can be resolved at source.</p> <p><b>Example</b>  <b>A member not being given the correct information first time when corresponding with the administration service and this having to be corrected, but having no impact on benefits paid</b></p>	<p>Minor impact on administration performance requiring action within business-as-usual parameters.</p> <p><b>Example</b>  <b>The employer experiencing persistent difficulty in providing correct data resulting in the need for extra training/support/correspondence to resolve</b></p>
3	Moderate	<p>Material adverse impact on members or employer that is of cause for concern to them and the administration service and requires escalation for non-business as usual resolutions</p> <p>More likely to be isolated issues but could have some scale.</p> <p><b>Example</b>  <b>Non collection of employee contributions from members due to administration error</b></p>	<p>Material impact on administration performance, but manageable within approved policies and procedures.</p> <p><b>Examples</b>  <b>Disappointing data quality scores resulting in a need for an improvement plan.</b></p>
4	Major	<p>Significant adverse impact on members or employer that result in a direct impact on benefits paid or contributions due or member or employer satisfaction with administration performance. Likely to result in complaints.</p> <p>More likely to be systemic issues.</p>	<p>Major failure of administration function, likely to be systematic in nature, of a high-profile nature to members and employers.</p> <p><b>Example</b>  <b>Persistent failure to meet key</b></p>

		<p><b>Examples</b>  <b>A significant delay in the issue of member annual benefit statements</b></p>	<p><b>performance indicators within deadlines, and receipt of significant numbers of complaints from members.</b></p>
<p><b>5</b></p>	<p>Catastrophic</p>	<p>Lack of key personnel with relevant knowledge and expertise</p> <p>Significant breaches of the law</p> <p>Serious complaints and reputational harm caused</p> <p><b>Example</b>  <b>Incorrect data received from employer resulting in wrong value of pension benefits being calculated and paid for several individuals.</b></p>	<p>Catastrophic failure of administration function leading to inability to pay benefits accurately or at all on a large scale.</p> <p>Significant breaches of the law</p> <p>Serious complaints and reputational harm caused</p> <p><b>Example</b>  <b>Wholesale failure of the pension payroll function resulting in no member payments being made.</b></p>





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Appendix 2

Risk Identification				Inherent Risk Scoring			Existing Risk Controls		Residual Risk Scoring			Further Risk Controls
Risk No.	Risk Description	Risk appetite	Risk Causes	Risk Consequences (Effect)	Likelihood	Impact	Risk Score		Likelihood	Impact	Risk Score	
1	Covid Pandemic (Administration and People Related)	Averse	<ul style="list-style-type: none"> <li>Covid-19 pandemic (financial pressure on individuals and institutions, and more transactions being made online)</li> <li>Further restrictive lockdowns</li> <li>Staffing capacity impacted by both short and long term health implications of infection</li> </ul>	<ul style="list-style-type: none"> <li>Members do not receive a high quality service</li> <li>Business interruption</li> <li>High costs in order to maintain service resilience</li> <li>Staff health, wellbeing and productivity</li> <li>Impairment of the financial situation of employers</li> <li>Inability to make quick decisions in an emergency</li> </ul>	5.00	5.00	30.00	<ul style="list-style-type: none"> <li>Office presence for processes that require it (e.g. physical post)</li> <li>IT systems supporting remote and flexible working</li> <li>Flexible working policies for staff</li> <li>Health and safety protocols for staff</li> <li>Fund policies that account for the scenario experienced</li> </ul>	4.00	3.00	15.00	<ul style="list-style-type: none"> <li>Use of extraordinary committee or board meetings where necessary</li> <li>Continue to develop flexible and remote working practices</li> <li>Review electronic signatory processes</li> </ul>
2	Inability to meet demand for activity	Averse	<ul style="list-style-type: none"> <li>Growth in complexity</li> <li>New and complex regulations (e.g. Sargeant (Age discrimination, Miller retained Modified cases)</li> <li>Erosion of staff capacity/resilience due to long term remote working</li> <li>Inability to recruit / retain appropriately skilled staff</li> <li>Inability of the officers to keep up with demand (capacity or skills) persistently increasing customer expectations</li> <li>Unpopular government decisions impacting on Fire Pension Schemes</li> </ul>	<ul style="list-style-type: none"> <li>Quality of services reduces</li> <li>Governance failures</li> <li>Key administration performance measures not met</li> </ul>	5.00	3.00	18.00	<ul style="list-style-type: none"> <li>Medium term forecasting of demand and planning for the capacity and resources required</li> <li>Investing in quality and productivity of staff through training and development</li> <li>Investing in systems development</li> <li>Use of management information to monitor and manage performance</li> <li>Succession planning</li> <li>Procuring appropriate services through contracts KPI and workload monitoring for administration team staff training</li> <li>Data quality reviewed annually</li> <li>Maintenance of governance arrangements and actions Responding to Government consultations</li> </ul>	4.00	3.00	15.00	<ul style="list-style-type: none"> <li>Outsourcing of Administration service (ITT out 1st June 2021 with transfer date of 1st April 2022)</li> </ul>
3	Business interruption	Averse	<ul style="list-style-type: none"> <li>Covid-19</li> <li>Industrial action</li> <li>Small specialist teams with single person risks</li> <li>Significant changes in adviser and consultant personnel</li> <li>Further high impact Covid events (e.g. infection waves, lockdowns)</li> <li>Lack of systems maintenance</li> <li>Systems failure</li> <li>Covid impact on staff</li> <li>Disaster event - fire, flood, etc</li> <li>Lack of remote working facilities</li> </ul>	<ul style="list-style-type: none"> <li>Delays in decisions or their implementation</li> <li>Failure to meet performance targets</li> <li>Reputational damage</li> <li>Data quality deterioration</li> <li>Workload backlogs</li> <li>Significant restoration costs</li> </ul>	3.00	4.00	18.00	<ul style="list-style-type: none"> <li>Building resilience requirements into service contracts</li> <li>Digital record keeping</li> <li>Storing data back ups off site</li> <li>Maintaining close links with advisers, consultants, and external organisations.</li> <li>Use of IT systems to work remotely</li> </ul>	2.00	3.00	9.00	<ul style="list-style-type: none"> <li>Implementation of Cyber Security policy</li> <li>Review and update disaster recovery plan</li> </ul>
4	Cyber Security	Averse	<ul style="list-style-type: none"> <li>Systemic cybersecurity events (e.g. taking down financial trading institutions globally)</li> <li>Local cyber security events (e.g. targeting the Council)</li> <li>Personal cyber security events (e.g. phishing emails targeting staff)</li> <li>Inadequate system security</li> <li>Inadequate staff training and staff vigilance</li> </ul>	<ul style="list-style-type: none"> <li>Loss of data and/or data disruption</li> <li>Reputational damage</li> <li>Breaches of the law</li> <li>Fines</li> <li>Costs of fixing issues</li> <li>Business interruption</li> </ul>	4.00	5.00	25.00	<ul style="list-style-type: none"> <li>Use of scheme administrator systems and system security</li> <li>Staff training</li> <li>Bespoke Fund cyber security policy</li> </ul>	3.00	4.00	16.00	<ul style="list-style-type: none"> <li>Implementation of Cyber security policy</li> </ul>
5	Data Quality	Averse	<ul style="list-style-type: none"> <li>McCloud/Sargeant impact</li> <li>Persistently increasing customer service expectations</li> <li>Covid impact on member health and wellbeing - increasing the adverse impact of any problems with pensions</li> <li>Member benefits paid incorrectly</li> <li>Inadequate data quality</li> <li>Inadequate administration systems and processes</li> <li>Poor data provided by employer</li> </ul>	<ul style="list-style-type: none"> <li>Inadequate payroll services</li> <li>Incorrect benefit payments to scheme members</li> <li>Complaints and disputes from scheme members</li> <li>Negative reputational impact</li> </ul>	3.00	3.00	12.00	<ul style="list-style-type: none"> <li>Administration governance review actions and maintenance of those standards</li> <li>SLA with Council payroll service</li> <li>Maintenance of Fund website and sign posting to the new LGA Fire Pension scheme members website</li> <li>Data quality scores and reviews</li> <li>Staff training</li> <li>Performance monitoring of employer data quality</li> <li>Performance monitoring of administration team KPIs</li> </ul>	2.00	2.00	6.00	<ul style="list-style-type: none"> <li>Connect project now completed</li> <li>Light review of compliance with Code of Practice 14</li> </ul>
6	Fraud	Averse	<ul style="list-style-type: none"> <li>Covid-19 impact on the application of controls in the Service or with employers</li> <li>Increased financial pressure on individuals due to Covid-19 and its impact on the economy and jobs</li> <li>The passing of time since any previous targeted review of Fraud risk</li> <li>Fraud instigated by any Fund stakeholders,</li> </ul>	<ul style="list-style-type: none"> <li>Members lose benefits to fraudsters</li> <li>Reputational risk</li> <li>Time spent unpicking the Fraud</li> <li>Fraudulent members gain benefits they are not entitled to</li> </ul>	4.00	3.00	15.00	<ul style="list-style-type: none"> <li>Application of Authority code of conduct of officers, fraud strategy, and whistleblowing policy</li> <li>Application of division of duties and signatory processes for financial transactions and administration</li> <li>Periodic independent internal audit reviews of administration controls and activity</li> <li>Annual external audit reviews</li> </ul>	3.00	3.00	12.00	<ul style="list-style-type: none"> <li>Fraud risk review in 2021/22</li> </ul>
7	Governance Failure	Averse	<ul style="list-style-type: none"> <li>Lack of capacity to service governance requirements</li> <li>Lack of training</li> <li>Lack of continuity in staffing, advisers, or committee / board members</li> <li>Inadequate checking/review of standards compared to requirements and best practice</li> <li>Complacency in light of recent governance improvements</li> <li>Out of date policies and contracts</li> <li>Local government elections impact on committee continuity</li> <li>Covid-19 - impact on officer, adviser, and committee/board personnel health and availability</li> <li>Uncertainty around overall governance structure and responsibility for decision making and actions</li> <li>Unpopular government decisions impacting on Fire Pension Schemes</li> </ul>	<ul style="list-style-type: none"> <li>Adverse impact on service reputation</li> <li>Exposure to unplanned risks or poor administration</li> <li>Breaches of the law</li> <li>Poor decisions</li> <li>Decisions that are not appropriately authorised</li> <li>Customer dissatisfaction</li> </ul>	3.00	4.00	16.00	<ul style="list-style-type: none"> <li>Training plans for committees, Board, and staff</li> <li>Quarterly committee and Board meeting cycles</li> <li>Training needs analysis</li> <li>All training provision to be made available to all committee and Board members</li> <li>Management of a Contracts register</li> <li>Management of a policy schedule</li> <li>Use of digital technology - remote working and remote meetings</li> <li>Responding to government consultations</li> </ul>	2.00	3.00	9.00	<ul style="list-style-type: none"> <li>Light review of compliance with Code of Practice 14</li> <li>Local at best practice to create training plan</li> <li>Review of committee arrangements and Terms of Reference</li> <li>Review capacity to support Fund Governance requirements</li> </ul>

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## **Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme**

**14 February 2022**

### **Warwickshire Fire and Rescue Local Pension Board Forward Plan**

#### **Recommendation(s)**

1. That the Warwickshire Fire and Rescue Local Pension Board (the Local Pension Board) notes and comments on the Forward Plan.
2. That the Local Pension Board identifies any areas of interest or activity to add to the Forward Plan.

#### **1. Executive Summary**

- 1.1 This report provides an updated rolling forward plan for the Local Pension Board looking forward one year.
- 1.2 This is not intended to be rigid or definitive, the intention is that it can be updated and amended on a rolling basis at each meeting and be informed by the latest developments.

#### **2. Financial Implications**

None.

#### **3. Environmental Implications**

None.

#### **4. Supporting Information**

- 4.1 The updated Forward Plan is shown at Appendix 1.
- 4.2 The Fire Pension Service is liaising with other local fire authorities to provide joint training sessions for members of the Local Pension Board. Other training opportunities may also be available with the new administrator.

## 5. Timescales associated with the decision and next steps

None

### Appendices

1. Appendix 1 The Forward Plan for the Local Pension Board.

### Background Papers

None.

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Lead Director	Strategic Director for Resources	<a href="mailto:robpowell@warwickshire.gov.uk">robpowell@warwickshire.gov.uk</a>
Lead Member	Portfolio Holder for Finance and Property	<a href="mailto:peterbutlin@warwickshire.gov.uk">peterbutlin@warwickshire.gov.uk</a>

The report was circulated to the following members prior to publication:

Local Member(s): None.

Other members: n/a

## Warwickshire Fire and Rescue Local Pension Board

## Forward Plan

## Appendix 1.

Q1 6 <sup>th</sup> June 2022	Q2 13 <sup>th</sup> September 2022	Q3 15 <sup>th</sup> November 2022	Q4 13 <sup>th</sup> February 2023
<b>Standing Items</b>			
Administration Activity and Performance Update	Administration Activity and Performance Update	Administration Activity and Performance Update	Administration Activity and Performance Update
Risk Monitoring	Risk Monitoring	Risk Monitoring	Risk Monitoring
Forward Plan	Forward Plan	Forward Plan	Forward Plan
Administration Service outsource	Administration Service outsource	Administration Service outsource	Administration Service outsource
<b>Bespoke Items</b>			
		Chairs' annual report	
<b>Policies</b>			
		Administration Strategy Knowledge and Skills Assessment	Breaches policy Cyber security Terms of Reference and Conflicts of Interest Risk Register
<b>Training</b>			
Tbc The Pension Team are speaking with other local FRAs and the new administrator about sourcing training for the Local Pension Board	Tbc	Tbc	Tbc

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## **Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme**

**14 February 2022**

### **Warwickshire Fire Rescue Local Pension Board, Policy Update**

#### **Recommendation(s)**

1. That the Warwickshire Fire and Rescue Local Pension Board notes and comments on the content of the report.

#### **1. Executive Summary**

- 1.1 This report sets out the policies reviewed either as part of an annual review or where there have been minor amendments required.

#### **2. Financial Implications**

None

#### **3. Environmental Implications**

None

#### **4. Supporting Information**

##### **Cyber Security Policy**

- 4.1 Cyber Security for the Fire Pension Administration Service relies heavily on the ICT infrastructure in place for the County Council and the Cyber Security Policy currently in place for the Warwickshire Pension Fund
- 4.2 Officers recently reviewed the Cyber Policy for the Pension Fund and are satisfied that it remains fit for purpose. However, it is anticipated that a fundamental review of the policy will be required following the move of the administration service to an external provider and officers will undertake to draft a bespoke Cyber Policy for the Fire Pension Administration Service.
- 4.3 Officers will update the Local Pension Board when this review has been concluded.

- 4.4 Link to policy  
[https://warwickshiregovuk.sharepoint.com/:b:/r/sites/PensionFundManagers/Shared%20Documents/Fund%20Policy%20Documents/Fire%20Policies/Cyber%20Security%20Policy%20Fire%20Pension%20Board\(1\).pdf?csf=1&web=1&e=5hcUEy](https://warwickshiregovuk.sharepoint.com/:b:/r/sites/PensionFundManagers/Shared%20Documents/Fund%20Policy%20Documents/Fire%20Policies/Cyber%20Security%20Policy%20Fire%20Pension%20Board(1).pdf?csf=1&web=1&e=5hcUEy)

### **Breaches Policy**

- 4.5 Officers have reviewed the current Breaches Policy for the Fire Pension Administration and are satisfied that it remains fit for purpose.
- 4.6 A review of the breaches policy will be undertaken as part of the move of the administration system to an external provider.
- 4.7 Officers will update the Local Pension Board when this review has been concluded.
- 4.8 Link to policy  
<https://warwickshiregovuk.sharepoint.com/:b:/r/sites/PensionFundManagers/Shared%20Documents/Fund%20Policy%20Documents/Fire%20Policies/Breaches%20Policy%20Fire%20Pension%20Board.pdf?csf=1&web=1&e=WBdxjG>

### **Terms of Reference and Conflicts of Interest Policy**

- 4.9 The Terms of Reference and Conflicts of Interests Policy have been reviewed and remain fit for purpose.
- 4.10 Link to policy  
[https://warwickshiregovuk.sharepoint.com/:b:/r/sites/PensionFundManagers/Shared%20Documents/Fund%20Policy%20Documents/Fire%20Policies/Terms%20of%20Reference%20Fire%20Pension%20Board\(1\).pdf?csf=1&web=1&e=eybBaq](https://warwickshiregovuk.sharepoint.com/:b:/r/sites/PensionFundManagers/Shared%20Documents/Fund%20Policy%20Documents/Fire%20Policies/Terms%20of%20Reference%20Fire%20Pension%20Board(1).pdf?csf=1&web=1&e=eybBaq)

## **5. Timescales associated with the decision and next steps**

None

## **Appendices**

None

## **Background Papers**

None

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: n/a

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## Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

14 February 2022

### Pensions Administration Service Activity and Performance update

#### Recommendation(s)

The Local Pension Board is asked to note and comment on this report

#### 1. Executive Summary

- 1.1 This report updates the Board on key developments affecting the administration of the Fire Pension Scheme and the performance of the Pensions Administration Service (PAS).

#### 2. Financial Implications

- 2.1 Any financial implications are dealt with in the body of the report

#### 3. Environmental Implications

- 3.1 None

#### 4. Change of service provider

- 4.1 The transfer of the administration of firefighter pensions and pensioner payroll service to West Yorkshire Pension Fund (WYPF) is progressing. The project team with representatives from the service areas affected are meeting on a fortnightly basis, to ensure the project remains on track.
- 4.2 A communication has been sent out to all Fire scheme members to inform them of the change of provider, very few queries have been received from this. A reminder communication will be sent out again before 1<sup>st</sup> April 2022.
- 4.3 Warwickshire has set up a collaboration group with other Fire Authorities within the region that also use WYPF. Included in this group are Hereford and Worcestershire, Shropshire, and Staffordshire Fire Authorities. The aim of this

group is to share experiences and look for best practice in the way services are provided by WYPF.

## 5. Immediate Detriment

- 5.1 On 28<sup>th</sup> November 2021, the Home Office (HO) withdrew the guidance they provided for Immediate detriment cases. The explanation provided for the withdrawal is that further work is being undertaken between HMT and HMRC on drafting the remedy in the McCloud bill. This suggests that the gaps and uncertainties regarding tax implications for rectification cases are considerably greater than what was first thought. (See Appendix 1).
- 5.2 The government announcement was received after the release of the memorandum of understanding (MoU) (Appendix 2) which has been put together by the Local Government Association (LGA) and the Fire Brigade Union (FBU). Fire Authorities were asked if they would adopt the framework, partially, fully, or not at all. WFRS had decided to fully adopt the framework and had begun to contact affected members, those being members who had retired under the 2015 pension scheme (FPS 2015) and could now have their benefits assessed following the MoU framework. WFRS had already decided to process immediate detriment cases for affected members who are or have retired since August 2020 when the original HO guidance was released.
- 5.3 Following the withdrawal of the HO guidance, WFRS paused any further processing of rectification cases, pending further legal advice.
- 5.4 The service has 5 members who have been identified as <sup>1</sup>category 1 cases following the MoU framework and has processed 10 category <sup>2</sup>2 cases.

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<sup>1</sup> Category 1 Members who, at the date of this MoU, are employed by an FRA and: (a) become eligible to retire (for any reason, including ill-health) and draw any pension and/or lump sum benefit and want to have all their benefits paid from their Legacy Scheme (not the 2015 Scheme); or (b) do not qualify for a lower-tier (and therefore higher-tier) ill-health pension under the single pot ill-health retirement arrangement provided for in the 2015 Scheme and are therefore left without an immediately payable pension, but would be entitled to such a pension under their Legacy Scheme

<sup>2</sup> Members who, at the date of this MoU: (a) have already retired (for any reason, including ill-health) and who are receiving a pension under the 2015 Scheme, and who wish to be treated as having retired as a member of their Legacy Scheme; or (b) have left the fire and rescue service and did not qualify for a lower-tier (and therefore higher-tier) ill-health pension under the single pot ill-health retirement arrangement provided for in the 2015 Scheme, and are therefore left without a pension in payment but would be entitled to such a pension under their Legacy Scheme

## **6. Consultation on regulation changes**

- 6.1 On the 8<sup>th</sup> November the HO released their consultation: *Amendments to the firefighters' pension schemes in England 2022*. The closing date for the consultation was 2<sup>nd</sup> January 2022.
- 6.2 The amendments detailed are required to deliver the first set of changes to remove the transitional protections from the Firefighters' Pension Scheme (FPS) 2015. The changes enact the policy announced in February of this year and are consequential to the provisions in the Public Service Pensions & Judicial Offices Bill (PSPJO). The changes are intended to come into force on 1<sup>st</sup> April 2022.
- 6.3 This is part of the package of measures the government intends to use to remove age discrimination; the second phase will address the issue of giving members a retrospective choice of benefits for the remedy period. A separate consultation will be issued sometime this year for this.
- 6.4 LGA have provided a response on behalf of FRAs and so WFRS has not submitted an individual response to the consultation.

## **7. McCloud/Sergeant project update**

- 7.1 The project is progressing, communications regarding the transfer of all active members to the FPS 2015 scheme on 1<sup>st</sup> April 2022 have been sent out to all affected members.
- 7.2 The collection of payroll data has begun and will be shared with WYPF once the transfer of the service has been completed. It is understood that the administration software has not yet been updated to hold the data required for members in scope.
- 7.3 WFRS have requested that a project plan should be put together by WYPF and WFRS to document processes and decisions made on the processing of cases once legislation is in place.

## **8. Breaches**

- 8.1 There are currently no breaches recorded.

## **9. Internal Dispute Resolution Procedure (IDRP)**

- 9.1 There is currently 1 outstanding stage 1 appeal. This follows a determination by the Pensions Ombudsman which has instructed WCC to revisit the decision made previously for this case.

## **10. Matthews/O'Brien – 2<sup>nd</sup> modified retained exercise**

- 10.1 There have been no further updates, however it is anticipated that the legislation required for this will come into force on 1<sup>st</sup> April 2022.

## **11. Cost control mechanism**

- 11.1 Unions across the public sector have launched a judicial review against HMT about including McCloud/ Sargeant remedy costs in the cost control mechanism. The FBU, GMB, and BMA argue that the cost of rectifying the discrimination should not be met by scheme members. The provisional results of the 2016 cost cap valuation showed that all public service schemes were cheaper than expected. This would have led to a reduction in contributions or improvements in benefits from April 2019 had the cost control process not been paused.

## **12. LGA bulletins**

- 12.1 The LGA release a monthly bulletin to those involved with the governance and administration of Firefighter Pension Schemes. Board members should receive a copy of the bulletin as it is circulated by democratic services. Since our last board meeting following bulletins have been released: 51, 52 and 53.

## **13. FRA remedy self -assessment survey**

- 13.1 Earlier this year the Scheme Advisory Board released a survey to FRAs to gauge what preparations they are making for implementing both the McCloud/Sargeant remedy and for the 2<sup>nd</sup> retained modified retained exercise following the Matthews case. WFRS responded to the survey and have now been provided with the results, which are to be discussed in this meeting. The survey benchmarking results can be seen at Appendix 3 and WFRS responses are Appendix 4.

## **14. Timescales associated with the decision and next steps**

- 14.1 None.

## **Appendices**

Appendix 1 – Home Office withdrawal of Immediate detriment guidance

Appendix 2 – MoU framework

Appendix 3 – Remedy Self-assessment survey benchmarking results

Appendix 4 – WFRS responses to remedy self-assessment survey



## Background Papers

1. Background paper 1 - HO consultation phase 1 – removal of age discrimination  
[Consultation on firefighters' pensions prospective remedy \(accessible version\) - GOV.UK \(www.gov.uk\)](#)
2. Background paper 2 - LGA response to HO consultation –  
<https://www.fpsregs.org/images/Age-discrimination/Home-Office-public-service-pension-schemes-consultation-response-Fire-FAQs-4-February-2021.pdf>

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Local Member(s):

Other members:

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### **Processing immediate detriment cases – November 2021**

This note sets out HM Treasury's best assessment at this point on the advisability of processing immediate detriment cases before new legislation to enact the McCloud remedy is in place, and the implications of this assessment for the Home Office guidance on processing immediate detriment cases published in August 2020 and revised in June 2021.

#### **Background**

Before the McCloud legislation is in place, any corrections to individuals' pension arrangements depend on an interpretation of how section 61 Equality Act 2010 would operate.

The government made clear in its July 2020 consultation and February 2021 consultation response that it accepts that members who moved to the reformed pension schemes on or after 1 April 2015 and have subsequently retired already have an entitlement to be treated as a member of their legacy scheme for the remedy period if they wish. This is based on the view that section 61 Equality Act 2010 permits pension scheme regulations to be read as though discriminatory provisions do not apply, allowing members in this position to be treated as a member of their legacy scheme.

It was initially thought that section 61 would be sufficient to allow the position of unprotected individuals due to retire before the deferred choice underpin is implemented ('pipeline' immediate detriment cases), who wished to receive legacy scheme benefits, to be corrected before the McCloud Bill, scheme regulations and relevant tax legislation came into force. This was reflected in the position set out in the July 2020 consultation document, which stated that the government would work with schemes to give members of reformed schemes due to retire before 2022 a choice of benefits, where this was administratively possible. It was acknowledged that there were still some policy and administrative issues to work through, and the consultation document noted the complexity involved and that systems changes may be required.

Consistent with that, the Home Office guidance document originally published in August 2020 was the best attempt possible at that time to set out a pathway for processing pipeline cases ahead of legislation. The document was produced in response to specific requests from the Firefighters' Scheme Advisory Board and in recognition of the particular pressures affecting the locally administered schemes. In producing the document, the complexity of these issues became increasingly apparent. The guidance did not therefore cover cases where individuals had already retired ('rectification' cases). Home Office and HMT were also clear that the document contained gaps in respect of pipeline cases, and that cases may need to be revisited, though the belief at the time was that it provided a basis to process at least some pipeline immediate detriment cases.

The February 2021 consultation response also reflected this position and acknowledged the particular complexities associated with rectification cases. The updated version of the Home Office guidance document published this year following further discussions with the sector was an attempt to provide more detail in some areas where this was possible, and to correct areas where thinking had moved on as a result of the further work that had been done. Both of these guidance documents were produced in good faith based on the best information available at the time, and it was made clear that there were still gaps and uncertainties.

#### **Current assessment**

The further work done by HMT and HMRC on drafting the remedy in the McCloud Bill (i.e. the Public Service Pensions and Judicial Offices Bill) has made it clear that these gaps and uncertainties are considerably greater than was previously thought. In some situations, it now appears that section 61

## OFFICIAL

may not give all the powers required to operate the remedy smoothly and predictably, without generating significant uncertainty for schemes, and risking significant second or third adjustments for individuals.

Because of this, HMT's current view is now that immediate detriment cases, including those yet to retire, cannot be processed before legislation is in place without considerable risk, uncertainty and administrative burdens for individuals, schemes and employers.

The fundamental issue is that to support correction of immediate detriment cases before new legislation is in place, section 61's impact on some fairly obscure aspects of the McCloud remedy needs to be understood. Any such interpretation of how section 61 comes into play on these points is novel and contestable, and actions taken on the basis of it are risky.

This risk has become more apparent over time, as HMT and HMRC have worked through the McCloud remedy and its tax consequences in more detail. On some of these points, the effect of section 61 would only be known for certain if it is tested in a court of law. This means schemes face significant uncertainty on how to proceed.

For example, where an individual's situation is corrected before legislation is in place, analysis at this point suggests it is not certain that section 61 will allow contributions paid in the past to reformed schemes to have been paid, as a matter of fact, into legacy schemes. This could call into question certain aspects of the remedy, including those contributions' tax relievable status. That could mean that the individuals in question will owe tax on contributions made in the past to their reformed scheme. This issue could affect all individuals who have made contributions into their reformed scheme – not just those for whom an adjustment in the amounts of contributions is required. Schemes and employers could then face difficult decisions over how to deal with those past contributions, plus significant administrative burdens as they attempted to fully unwind historic situations. Some individual members could lose out – potentially temporarily, but to a significant degree if tax is owed on past contributions but compensation for tax relief on contributions now being made into the legacy scheme is not available until the full remedy is in place. Individuals may also face significant second, and sometimes third, corrections once legislation is in place, as some of these problems are corrected.

Other areas of uncertainty exist and based on the experience so far of preparing the McCloud remedy, it is reasonable to conclude that further issues could emerge as work continues on the detailed McCloud remedy for changes to tax legislation and through scheme regulations.

The legislation the government is putting in place, through the McCloud Bill and tax legislation, and through the scheme regulations changes, aims to address uncertainties to deliver proportionate and reasonable results which are robust to further challenge on the grounds of discrimination, in line with the policy set out in the consultation and response documents. It is HMT's view at this point, based on the analysis as it currently stands, that cases cannot be smoothly and predictably processed until this legislation is in place and that there are risks and uncertainties for schemes and for individuals if cases are processed ahead of that.

Therefore HMT and Home office do not advise that schemes process pipeline immediate detriment cases before the legislation is in place, given the uncertainty of how to proceed on some elements, and the significant risk of generating unintended tax consequences that may, to a greater or lesser extent, then need to be reversed once legislation is in force.

It is of course still up to schemes to choose to process cases or not based on their own assessment of the competing legal risks, but at this stage it is not possible to give any guarantees that the remedy and its tax consequences will work as intended for everyone, before the legislation is in place.

#### **Implications for the Home Office guidance**

Whilst section 61 permits individuals affected to be treated as members of their legacy scheme, given the uncertainty around how it operates on some of the detailed elements of the McCloud remedy, HMT no longer views the current version of the Home Office guidance as accurately representing the situation. Unfortunately, that uncertainty also means the guidance cannot be revised to give schemes a clear way forward on how to process these cases that is certain to be correct. Home Office have therefore taken the difficult decision to withdraw this guidance.

It is also important to note that if schemes process cases and run up against tax issues which it is not straightforward to resolve – because the situation is either ambiguous under current rules due to uncertainty about how section 61 acts on some elements, or the current rules generate unwelcome tax outcomes – they will have to operate within the existing tax legislation and HMRC will not be able to help resolve those issues. This may mean that individuals could face unwanted tax bills and/or corrections to their tax affairs, which may then need to be corrected again once the legislation is in place.

For cases that have already been dealt with, or are in the process of being dealt with, the new legislation will give powers intended to allow schemes to put these individuals into the correct position, drawing on the provisions of the McCloud Bill. However, this could entail significant second or third corrections and so HMT would not advise that schemes continue to process cases on the assumption these provisions will mean a smooth and predictable experience for themselves and for members.

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**Dated 8 October 2021**

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**MEMORANDUM OF UNDERSTANDING**

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## **PARTIES**

- (1) Local Government Association of 18 Smith Square, Westminster, London, SW1P 3HZ (the **LGA**); and
- (2) Fire Brigades Union of Bradley House, 68 Coombe Rd, Kingston-upon-Thames, Surrey, KT2 7AE (the **FBU**).

## **1 BACKGROUND**

- 1.1 The LGA represents Fire & Rescue Authorities (**FRAs**) in England, Scotland, Wales and Northern Ireland in connection with the matters covered by this memorandum of understanding (**MoU**).
- 1.2 The FBU is a trade union that represents firefighters and other employees employed by the FRAs (together the '**Members**') who are affected by the matters covered by this MoU.
- 1.3 The LGA (on behalf of the FRAs) and the FBU (on behalf of the Members) wish to record the basis on which they will collaborate with each other to ensure that Members who have (or will) suffer an "**Immediate Detriment**" (as described in para. 4.1 below) by reason of their retirement (or impending retirement), following the decision made by the Court of Appeal on 20 December 2018 and the Employment Appeal Tribunal on 12 February 2021 in the *Sargeant* claims, are provided with a remedy as swiftly as possible.
- 1.4 A framework (the **Framework**) and a timetable for providing a remedy for each affected Member is set out in Annex 1 and Annex 2 to this MoU, which the parties expect the FRAs and Members to adhere to. Nothing in the MoU shall be interpreted to mean that the FBU will not initiate or support legal proceedings on behalf of any Member whose case is not dealt with in accordance with the Framework or that timetable.
- 1.5 The MoU only covers compensation relating to any shortfall in the pension commencement lump sum, pensions benefits and contributions payable to or payable by a Member (including issues relating to tax relief, interest and charges connected to those amounts) as set out in Annex 1. This MoU does not cover any additional remedies currently under consideration in the Employment Tribunal.
- 1.6 In this MoU:
  - 1.6.1 references to a Member's **Legacy Scheme** are references to the pension scheme in which the Member was an active member on 31 March 2012; and
  - 1.6.2 references to the **2015 Scheme** are references to the firefighters' pension schemes in England, Wales and Scotland created under the Public Service Pensions Act 2013.

## **2 OBJECTIVES**

- 2.1 The parties acknowledge the importance of ensuring that Members who have suffered (or will suffer) an Immediate Detriment (as described in para. 4.1 below) receive compensation or are otherwise remedied now. They recognise that the Government has laid primary legislation before Parliament in the Public Service Pensions and Judicial Offices Bill (the **Bill**), and will make secondary legislation pursuant to the Bill (together, the **Remedying Legislation**) to provide the affected Members with a remedy for the discrimination found in the *Sargeant* claims.



The parties believe that the Framework is consistent with the principles currently set out in the Bill. In particular, any compensation or remedy provided to Members under this MoU:

2.1.1 amounts to “compensation” of the type anticipated by clause 21<sup>1</sup> of the Bill; and/or

2.1.2 is to be taken into account when assessing whether the Member has:

(a) “benefited from an immediate detriment remedy” for the purposes of clause 29 of the Bill; and/or

(b) been provided with a remedy under any scheme regulations of the type anticipated by clause 28 of the Bill

(to avoid a situation where the Member receives additional recoveries under the Bill which have already been compensated for under this MoU).

2.2 This MOU is separate from, and is not subject to or dependent on, any guidance issued in relation to “Immediate Detriment” before the Remedying Legislation comes into force.

### **3 PRINCIPLES OF COLLABORATION**

3.1 The LGA will request that the FRAs, and the FBU will request that its Members, adopt the following principles:

3.1.1 Collaborate and co-operate. To adhere to the Framework so that activities are delivered and actions taken as required;

3.1.2 Act in a timely manner. Recognise the importance of moving things forward swiftly and responding accordingly to reasonable requests for support; and

3.1.3 Act in good faith to support achievement of the objectives and adherence to these principles.

### **4 IMMEDIATE DETRIMENT CASES IN SCOPE**

4.1 The Framework will apply to Immediate Detriment cases that have already arisen, or arise before the Remedying Legislation comes into force, namely cases for:

4.1.1 Members who, at the date of this MoU, are employed by an FRA and:

(a) become eligible to retire (for any reason, including ill-health) and draw any pension and/or lump sum benefit and want to have all their benefits paid from their Legacy Scheme (not the 2015 Scheme); or

(b) do not qualify for a lower-tier (and therefore higher-tier) ill-health pension under the single pot ill-health retirement arrangement provided for in the 2015 Scheme and are therefore left without an immediately payable pension, but would be entitled to such a pension under their Legacy Scheme

**(Category 1 cases);**

4.1.2 Members who, at the date of this MoU:

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<sup>1</sup> In this MoU, references to clause numbers in the Bill refer to the clauses as numbered on the date when the MoU is signed.

- (a) have already retired (for any reason, including ill-health) and who are receiving a pension under the 2015 Scheme, and who wish to be treated as having retired as a member of their Legacy Scheme; or
- (b) have left the fire and rescue service and did not qualify for a lower-tier (and therefore higher-tier) ill-health pension under the single pot ill-health retirement arrangement provided for in the 2015 Scheme, and are therefore left without a pension in payment but would be entitled to such a pension under their Legacy Scheme

**(Category 2 cases).**

- 4.2 The Category 2 cases include the claims set out in High Court claim number QB-2021-000636, although the parties acknowledge that the claimants and the defendants in that claim will (subject to agreeing the position on legal costs) need to file a consent order recording any settlement achieved in accordance with the Framework set out in this MoU.

**5 FRAMEWORK**

- 5.1 The parties intend that the various issues that arise in relation to Category 1 and Category 2 cases will be resolved in accordance with the Framework set out at Annex 1 to this MoU.

- 5.2 The parties anticipate that the Remediating Legislation will provide a mechanism that will allow some matters to be dealt with more conveniently once it comes into force. These matters are:

- 5.2.1 compensation for any tax relief foregone on the arrears of contributions payable by the Member (except for Category 1 cases where the contribution arrears can be processed through PAYE);

- 5.2.2 interest payable by the Member on the arrears of contributions;

- 5.2.3 interest payable to the Member on adjusted employee contributions under the 2006 Scheme; and

- 5.2.4 CETVs and added pension (for Category 1 cases).

- 5.3 These matters (and only these matters) will be calculated and processed once the Remediating Legislation is in force. Where applicable, the way they will be dealt with until that point is reached is set out in Annex 1. The parties agree that the mechanism provided by the Remediating Legislation will be used to make the calculation and the amounts will be processed in accordance with the Remediating Legislation.

- 5.4 The LGA and the FBU will encourage the relevant FRA and Member to document the agreed compensation or remedy in line with the template set out at Annex 3 to this MoU (the **Compensation Record**). This does not apply to the High Court claim referred to in para. 4.2 above where the terms of any settlement will be recorded in a confidential settlement agreement attached to a consent order.

- 5.5 The FBU agrees that it will not provide any financial or other support to Members who have received compensation or are otherwise remedied under the Framework to bring any court or tribunal proceedings relating to matters which have been (or are being) addressed under the Framework (or, in the case of those matters listed at para. 5.2 above, will be addressed under the Remediating Legislation). The FBU's agreement does not apply, however, to any question or dispute as to whether the Framework has been applied correctly in accordance with this MoU, or to any question or dispute regarding a matter that is not covered by the Framework.

## **6 CONCERNS OR COMPLAINTS**

- 6.1 If either party has any issues, concerns or complaints about any matter in this MoU that party shall notify the other party and the parties shall then seek to resolve the issue through discussion (consistent with the objectives and principles set out at paras. 2 and 3 above). Those discussions may involve the relevant FRA and Member where appropriate.
- 6.2 Either party may terminate such discussions at any time. Where it has been agreed that the Framework is being used, the fact that such discussions could be commenced or have been commenced will not act as an impediment to any Member who alleges that the FRA concerned is not dealing with their case in accordance with the Framework and seeks relief from the Court. Nor will it act as an impediment to the FBU providing legal or other support to such a Member.

## **7 REVIEW, TERM AND TERMINATION**

- 7.1 This MoU shall commence on the date of signature by both parties.
- 7.2 The parties will meet periodically on dates to be agreed between them (the first such meeting to take place within five weeks of the date of this MoU) to:
- 7.2.1 review the application of the Framework and the process set out in Annex 2, paying attention, in particular, to the timetable for processing cases in the light of the number of cases being dealt with by FRAs; and
  - 7.2.2 discuss whether any changes to the Framework are needed if the passage of the Bill (and the secondary legislation made pursuant to the Bill) adversely affects the ability of an FRA or a Member to implement the Framework and/or the process set out in Annex 2 and work in a spirit of cooperation to agree those changes.
- 7.3 If, on the date Remediating Legislation applicable to an issue set out in Annex 1 comes into force, a case that includes that issue is still being processed under the Framework, that issue will instead be processed under the Remediating Legislation and that fact will be noted in the Compensation Record (Annex 3). For the avoidance of doubt the rest of the issues in the case will be dealt with in accordance with Annex 1.
- 7.4 If all of the issues relevant to a case are covered by Remediating Legislation which has come into force before a Compensation Record is signed by the Member and the FRA that case will instead be processed under the Remediating Legislation.
- 7.5 This MoU will automatically expire on the last date on which Remediating Legislation applicable to all of the issues set out in Annex 1 comes in to force and will in any event expire on 1 October 2023. However, the parties agree that the timeframes set out in Annex 2 will continue to apply to the issues set out in Annex 1 where those issues are being processed under the Remediating Legislation provided that the timeframes do not put an FRA in breach of its obligations under the Remediating Legislation.
- 7.6 This MoU may be terminated (in whole or in part) by agreement in writing between the parties.
- 7.7 This MoU may be terminated by either party if the other party is in serious or repeated breach of its terms, and does not remedy the breach within 21 days of notice being given requiring it to do so.

## **8 VARIATION**

- 8.1 This MoU, including Annexes 1, 2 and 3, may only be varied by written agreement of the parties.

**9 CHARGES AND LIABILITIES**

- 9.1 Liability for the legal costs incurred in High Court claim number QB-2021-000636 will be payable in accordance with any agreement reached between the parties to that claim or any order made by the Court in those proceedings.
- 9.2 Subject to para 9.1, and except as otherwise provided, the parties, FRAs and Members shall each bear their own costs and expenses incurred in agreeing to and implementing this MoU and the Framework.
- 9.3 Each party shall remain liable for any losses or liabilities incurred due to their own actions and neither party intends that the other party shall be liable for any loss it suffers as a result of this MoU.

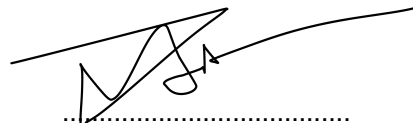
**10 STATUS**

- 10.1 This MoU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the parties from this MoU. The parties enter into the MoU intending to honour all their obligations.
- 10.2 Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, constitute either party as the agent of the other party, or authorise either of the parties to make or enter into any commitments for or on behalf of the other party.

**11 GOVERNING LAW AND JURISDICTION**

- 11.1 This MoU shall be governed by and construed in accordance with the laws of England and Wales and, without affecting the procedure set out in para. 6, each party agrees to submit to the non-exclusive jurisdiction of the courts of England and Wales.

Signed by **JEFF HOUSTON**  
for and on behalf of the **LGA**



.....

**HEAD OF PENSIONS**

8th October 2021  
.....

[Date]

Signed by **MATT WRACK**  
for and on behalf of the **FBU**



.....

**GENERAL SECRETARY**

8 October 2021

**CONTACT POINTS**

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## ANNEX 1 – FRAMEWORK

Issue	Category 1 cases	Category 2 cases
Shortfall in retirement lump sum and past pension payments	Retirement lump sum and benefits paid on retirement through Legacy scheme (so that no shortfall arises).	Pay as lump sums (comprising pension lump sum and arrears lump sum likely made in two payments) through the 1992 scheme (as arrears). Pension arrears will be subject to PAYE, but if any additional income tax is payable by the member that would not have been payable if the member had never been treated as a member of the 2015 Scheme, the FRA will compensate the member for that tax liability.
Interest on shortfall in retirement lump sum and past pension payments	No interest due because correct lump sum and pension benefits will be paid on retirement.	Interest paid at 3% p.a. simple, from the date lump sum / benefits should have been paid.
Employee contributions: 1992 Scheme	Member pays shortfall (since 2015) through payor as a deduction from retirement lump sum.	Member pays any shortfall (since 2015) as a deduction from retirement lump sum. If no lump sum is payable, the member will need to pay any contributions owed from their own resources and to be given a reasonable time to pay based on their individual circumstances.
Employee contributions: 2006 Scheme	Compensation for excess contributions to be paid on retirement. Amount paid will be FRA's best estimate of an amount equivalent to the net contributions paid by the member.	FRA to pay compensation for excess contributions. Amount paid will be FRA's best estimate of an amount equivalent to the net contributions paid by the member.
Tax relief on employee contributions	<p>Process through PAYE to the extent possible if time/amount allows. If time does not allow, then any tax relief not collected through PAYE will be calculated and paid when the remedying legislation is in force.</p> <p>FBU and FRAs will encourage members to give as much notice of retirement as possible to facilitate payment through PAYE.</p>	Compensation for any tax relief foregone will be paid to the individual when the remedying legislation is in force. So, for now, individuals will pay the gross amount of contributions due.

Interest payable on adjusted employee contributions (1992 Scheme)	Interest to be paid by the individual once the remedying legislation is in force (and at the rate specified in directions made under that legislation). If tax relief was not processed through PAYE (because time/amount did not allow), where the individual is due to receive a future payment to compensate him or her for the tax relief foregone, the interest amounts will be deducted from that payment.	Interest to be paid by the individual once the remedying legislation is in force (and at the rate specified in directions made under that legislation). Where the individual is due to receive a future payment to compensate him or her for the tax relief foregone, the interest amount will be deducted from that payment.
Interest payable on adjusted employee contributions – compensatory amount (2006 Scheme)	Interest to be paid to the individual once the remedying legislation is in force (and at the rate specified in directions made under that legislation).	Interest to be paid to the individual once the remedying legislation is in force (and at the rate specified in directions made under that legislation).
Contribution holidays: excess employee contributions	Compensation for excess contributions to be paid on retirement. Amount paid will be FRA's best estimate of an amount equivalent to the net contributions paid by the member.	FRA to pay compensation for excess contributions. Amount paid will be FRA's best estimate of an amount equivalent to the net contributions paid by the member.
CETVs and added pension	If an issue arises, then look at it at that point. Individual and FRA will work together to agree a holding compromise that the CETV/added pension will stay in the 2015 scheme until the legislative solution arrives.	Deal with as and when arises.
Annual Allowance charges	<p>Recalculate pension input amount for each year of remedy.</p> <p>If an annual allowance charge would have arisen if the individual had not been transferred to the 2015 Scheme, the charge remains payable by the member (through scheme pays or otherwise).</p> <p>If an annual allowance charge would not have arisen (or a lesser charge applied) if the member had not transferred to the 2015 Scheme, the member will pay that charge and the FRA will compensate the member for the annual allowance</p>	<p>Recalculate pension input amount for each year of remedy.</p> <p>If an annual allowance charge would have arisen if the individual had not been transferred to the 2015 Scheme, the charge remains payable by the member (through scheme pays or otherwise).</p> <p>If an annual allowance charge would not have arisen (or a lesser charge applied) if the member had not transferred to the 2015 Scheme, the member will pay that charge and the FRA will compensate the member for any annual allowance</p>

	charge that is demanded (or any excess over the lesser charge that would have applied).	charge that is demanded (or any excess over the lesser charge that would have applied).
Scheme pays (MSP/VSP)	Member pays tax through VSP for statutory tax years for which it becomes due.	Member pays tax through VSP for statutory tax years for which it becomes due.
Converting scheme pays debits	FRA to recalculate the pension debit as if taken at time of original scheme pays election using actuarial factors applicable at time.	FRA to recalculate the pension debit as if taken at time of original scheme pays election using actuarial factors applicable at time.
Converting pension sharing debits	Deal with on a case by case basis as issues arise.	Deal with on a case by case basis as issues arise.
Dependents	Deal with on a case by case basis as issues arise (and in accordance with the timeframes set out in Annex 2 where reasonably practicable).	Deal with on a case by case basis as issues arise (and in accordance with the timeframes set out in Annex 2 where reasonably practicable).
Taper members	Tapering to stop (because that is the only step that is consistent with the ET decision).	Tapering to stop (because that is the only step that is consistent with the ET decision).
Unauthorised payments	N/A	The FRA will compensate the member for unauthorised payment charges which the member has had to pay and which he or she would not have had to pay if the member had not transferred to the 2015 Scheme.



## ANNEX 2 – THE PROCESS

- 1 Any Member who believes that he or she is a Category 1 or a Category 2 case, and any person who believes that he or she is a dependant of a Category 1 or a Category 2 case Member ('an **Applicant**'), may give notice to the FRA which last employed the Member concerned requiring the FRA to investigate their case. Any such notice must be given in writing (by post or by email).
- 2 Within 14 days of receipt, the FRA shall acknowledge receipt of any such notice in writing (by post or by email), and inform the Applicant:
  - 2.1 either that the FRA accepts that the Applicant is entitled to a remedy under the Framework; or
  - 2.2 explain why, in the FRA's view, the Applicant is not entitled to a remedy under the Framework.
- 3 If the FRA accepts that the Applicant is entitled to a remedy under the Framework, as soon as reasonably practicable and in any event within 62 days after receiving an application under paragraph 1, the FRA shall send to the Applicant:
  - 3.1 In a Category 1 Case:
    - 3.1.1 a statement of the benefits that the Member would be entitled to receive if he or she retires under the rules of the Member's Legacy Scheme;
    - 3.1.2 a statement of the benefits that the Member would be entitled to receive if he or she retires under the rules of the 2015 Scheme; and,
    - 3.1.3 a form inviting the Applicant to choose to take benefits in accordance with the rules of the 2015 Scheme or the Member's Legacy Scheme.
  - 3.2 In a Category 2 Case:
    - 3.2.1 a statement of the benefits that the Member would have received if he or she had retired under the rules of the Member's Legacy Scheme, calculated as at the date of retirement or, in the case of a Member who left employment without an immediate pension, as at the date of leaving;
    - 3.2.2 a statement of the benefits that the Member received or was prospectively entitled to receive under the rules of the 2015 Scheme, calculated as at the date of retirement or, in the case of a Member who left employment without an immediate pension, as at the date of leaving;
    - 3.2.3 a statement of the arrears of pension and lump sum that the FRA will pay if the Applicant chooses to take benefits under the terms of the Member's Legacy Scheme;
    - 3.2.4 a statement of the arrears of contributions that will have to be paid or that will be reimbursed (if any) if the Applicant chooses to take benefits under the terms of the Member's Legacy Scheme;
    - 3.2.5 a statement of any tax adjustments that will have to be made if the Applicant chooses to take benefits under the terms of the Member's Legacy Scheme (including details of any "scheme pays" election that the Applicant might be able to make); and

3.2.6 a form inviting the Applicant to choose to take benefits in accordance with the rules of the 2015 Scheme or the Member's Legacy Scheme.

4 If the Member's entitlements under their Legacy Scheme cannot be determined without further medical advice, the period between the date of the request for further medical advice and the date when that advice is received shall be ignored for the purposes of the timetable set out in paragraphs 2 and 3 above.

5 Once the FRA receives notice of the Applicant's election, and if the Applicant chooses to receive benefits under the rules of the Member's Legacy Scheme:

5.1 In a Category 1 Case, the Applicant's entitlements shall be progressed as "business as usual".

5.2 In a Category 2 Case, the FRA shall:

5.2.1 adjust the Applicant's pension debit if required to allow for any "scheme pays" election that the Applicant makes on account of any annual allowance charge that would have arisen if the Member had never been treated as a Member of the 2015 Scheme;

5.2.2 begin to pay benefits in accordance with the Legacy Scheme rules with effect from the next pension payroll date which is at least one month after the receipt of the Applicant's election;

5.2.3 as soon as reasonably practicable and in any event within 28 days after receipt of the Applicant's election, pay to the Applicant the arrears of pension and lump sum, calculated under 3.2.3 above and rolled forward to the date of payment, with interest calculated in accordance with the Framework to the date of payment, plus compensation for any excess contributions paid, after deducting:

(a) any arrears of contributions calculated under 3.2.4 above; and

(b) any additional tax required to be paid under PAYE on arrears of pension that would have arisen if the Member had never been treated as a Member of the 2015 Scheme.

If the deductions to be made under paragraph 5.2.3(a) and (b) exceed the arrears to be paid under 5.2.3, the FRA shall not be obliged to begin to pay benefits under the Legacy Scheme rules in accordance with 5.2.2 until a reasonable schedule for payment of the excess has been agreed between the Applicant and the FRA.

6 In a Category 2 case, no further action is required if the Applicant chooses to continue to receive benefits under the Rules of the 2015 Scheme.

7 Until the Applicant makes an election under paragraph 3.1.3 or 3.2.6, no further action is required.

8 Giving effect to the Applicant's election under paragraph 3.1.3 or 3.2.6 to receive benefits calculated in accordance with the Legacy Scheme rules shall be conditional on the Applicant signing and returning a settlement agreement substantially in the form of the record of agreed compensation and remedy set out in Annex 3 to the MoU.

9 The member and an FRA's commitment to adhere to the process and timeframes as set out above is in consideration of the Principles of Collaboration and the ongoing review of the Framework as provided for at clauses 3 and 7.2 of the MoU respectively.

### ANNEX 3 – RECORD OF AGREED COMPENSATION / REMEDY

I [NAME OF MEMBER] have agreed with [NAME OF FRA] in its capacity as both an employer and scheme manager to receive compensation and/or a remedy in line with the framework set out in the MoU dated [DATE] between the LGA (on behalf of FRAs) and the FBU (on behalf of its members).

I am a “Category [1/2]” case.

I understand and agree that:

- the Government has proposed to make new legislation that is intended to provide me with the pension benefits that I could have received if the pension changes made in 2015 had not been made, but that new legislation may not come into force until October 2023;
- some of the issues relating to my pension benefits have not been fully resolved and will not be fully resolved until the new legislation comes into force in October 2023, and as a consequence some payments (including tax relief and some interest amounts) might be calculated and processed once the new legislation comes into force. These issues are noted in the table below;
- The compensation I have received will be taken into account for the purposes of the new legislation (to avoid a situation where I receive additional amounts under the new legislation which have already been compensated for under the agreed framework);
- I understand that survivor benefits under the 1992 Firefighters Pension scheme are payable only to a legal spouse or civil partner, meaning a partner with whom I have entered into a formal registered civil partnership. If I choose to receive benefits under the rules of the Firefighters’ Pension Scheme 1992 and I am unmarried and not in a civil partnership at the date of my death then a survivor’s pension will not be payable;
- The decision I make to receive benefits under the rules of the Firefighters’ Pension Scheme 1992/ Firefighters’ Pension Scheme 2006/ Firefighters’ Pension Scheme 2015 [delete as applicable] is irrevocable. Neither I nor my dependants will be given an option to reconsider this decision once the new legislation comes into force;
- The way in which the issues relevant to my case are dealt with under the framework (as noted in the table below) amounts to a full and final settlement of my claim. I will not commence or continue any court or tribunal proceedings against [NAME of FRA] (in its capacity as employer or pension scheme manager) in relation to any matters that are covered by this agreement (other than a failure to abide by the terms of this agreement); and

The issues in my case have or will be addressed as follows:

[PARTIES TO INSERT RELEVANT ROWS FROM THE ANNEX 1 FRAMEWORK TABLE WITH AN ADDITIONAL COLUMN TO DOCUMENT THE ACTUAL PAYMENT, ADJUSTMENT AND/OR RECORD ALTERATION MADE FOR EACH SPECIFIC ISSUE FOR THAT MEMBER.]

Signed by [NAME of MEMBER] on [DATE]

Signed by [NAME] on behalf of [FRA] on [DATE]

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## Report

# FRA remedy self-assessment survey

December 2021

Research Report

**Prepared for the Firefighters' Pensions (England)  
Scheme Advisory Board**

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## 1. Executive Summary

The survey invitation was issued by email to all Fire and Rescue Authorities (FRAs) following a public launch in May 2021. It was in the field from 20 May 2021 to 31 August 2021. The survey received a 100 per cent response rate, although not all FRAs answered all of the questions.

### 1.1 Current arrangements

Sixty per cent of FRAs are covered by just two providers in England. The number of single-FRA administrators is reducing as providers withdraw from the Firefighters' Pension Scheme (FPS) market due to the time and expertise required to administer the scheme.

Administration contracts began as early as 1940 and as recently as 2021. Over half of current arrangements are due to end within the next four years. Around one third of FRAs are planning to tender at the end of their current contract, with the most common routes to procurement being full tender and selection from a framework.

Preferences for future administration for the scheme were inconclusive. Half of respondents favoured retention of current arrangements or had no preference. Around one quarter preferred three or four "super" administrators, which will potentially occur reactively through natural attrition.

In most cases, delivery of the administration contract is overseen by a manager or head of department in human resources, finance, pensions, or payroll. posts are generally line-managed by a member of the senior leadership team.

### 1.2 Data

Eighty-five per cent of FRAs have started work to identify data requirements for age discrimination remedy, compared to just 28 per cent for the second FPS 2006 special members' exercise. This variance is reflective of the fact that the scope and mechanics of the second options exercise have not yet been established.

Work on remedies data is generally being led by a manager or head of department in human resources, finance, pensions, or payroll. Eighty-seven per cent of authorities expect to need additional resource for one or both of these projects.

Within the majority of FRAs, the ill-health retirement (IHR) process is managed by human resources and it appears that teams will be resourced to manage reassessment of cases that might be needed, as numbers are likely to be relatively small.

Just under half of FRAs have an in-house staff payroll service and around one quarter also provide pensioner payroll. Of the two-thirds who have outsourced pension payroll function, this is likely to sit with the pension administrator.

Over half of FRAs have changed either their payroll provider and/ or payroll system since the start of the remedy period in 2015, which may present additional challenge in obtaining historic payroll data. The number of years payroll records go back ranged from three to 40; for employment records the range is zero to 50.

Challenges relating to data collection for age discrimination remedy were specified as conversion of records from final salary and CARE, and the time taken to complete the exercise. For special members, many FRAs are concerned that data will no longer be available for the periods in question, and that there would be difficulty in identifying and verifying individuals.

Both business as usual and remedy contribution adjustment processes will mainly be dealt with by payroll and finance teams. This also includes the corresponding adjustments to tax relief. FRAs acknowledged that different processes may need to be applied for different cohorts of member. A more collaborative approach to the interest process is envisaged, with departments working together to ensure the correct payments are made or deducted.

The majority of respondents (91 per cent) confirmed that they will be able obtain or calculate backdated contribution data. Key themes identified in issues that might occur include available resource, lack of guidance, and impact on members.

### 1.3 Processes and impact

Confidence in existing tax processes for the purposes of recalculating pension growth for age discrimination remedy was split 50-50. Many FRAs identified that their administrator would be responsible for performing these calculations. Others commented that it was not possible to give an informed response until legislation and guidance is available.

Administrators were also reported to be primarily responsible for Event Reporting to HMRC.

At the time of the survey, it was anticipated that members would have to use Voluntary Scheme Pays (VSP) to settle any ordinary tax charges resulting from the remedy adjustments, therefore FRAs were asked if they had a VSP policy in place. Eighty-nine per cent have a policy and 11 per cent do not.

Almost all FRAs (94 per cent) have a nominated finance lead for pensions. Two-thirds expect to need additional resource to deal with financial adjustments and impact on business as usual. However, less than one quarter (22 per cent) of authorities have an allocated budget for direct and indirect remedy costs.

Sixty-three per cent have a nominated legal lead for pension matters and in 62 per cent of those cases, that person is the FRA's "nominated contact" for proceedings that are managed collectively by the LGA.

At almost all FRAs, workforce planning is managed by a member of senior human resources support staff or a uniformed equivalent. Eighty-nine per cent of FRAs confirmed that they are able to identify the cohort of members affected by age discrimination remedy and 83 per cent are modelling the potential impact into plans. Numbers range from between 15 to 4,000 members.



## 1.4 Information, communication, and coordination

In order to help member understanding of age discrimination remedy, FRAs indicated that a suite of member scenarios and online tools with a direct link to the pension administration system were the preferred options. Standalone tools such as a high-level modeller or other online solution were less popular.

Around half of FRAs are currently providing information to members, although this is primarily concerning immediate detriment or is generic information which has been circulated by the LGA.

All parties were felt to have a role to play in communications, with the LGA being the first choice to provide information at key points (70 per cent), administrators being the main contact for member queries (70 per cent), and FRAs providing information directly to the workforce (61 per cent).

FRAs had mixed views on coordination of remedy implementation, indicating a slight preference (33 per cent) for collaborative engagement with a shared administrator. Just under half of authorities have a remedy project team in place, which generally tend to include the administrator.

Communication for the first special members exercise was given an average rating of 5.93 out of 10, but whether this affected take-up rate was inconclusive. Key areas suggested for improvement in the second exercise were consistency of information and clear guidance.

## 1.5 Knowledge, capability, and capacity

FRAs measured their level of internal pensions knowledge and capacity at an average 5.67 out of 10. Popular options for addressing any shortfall were establishing new roles and accessing training.

Most FRAs (85 per cent) have included remedy implementation as a risk on their corporate register and subsequently reported it to their Local Pension Board.

The sector strongly agreed that the LGA are best placed to lead on policy engagement with government (98 per cent); on direct communication or provision of content (87 per cent); and on engagement with administrators (89 per cent). These responses give the LGA the necessary endorsement to lead on remedy related issues on behalf of FRAs and provide assurance that this is the preferred approach.

## 2. Introduction

In December 2018, the Court of Appeal judged that the 'transitional protection' offered to some members of the firefighters' schemes as part of the 2015 public service pensions reforms gave rise to unlawful discrimination.

The Chief Secretary to the Treasury confirmed the requirement for a legal remedy across all public service pension schemes and a consultation was undertaken on the steps needed to address the discrimination.

On 4 February HM Treasury (HMT) published its [consultation response on changes to the transitional arrangements](#) to the 2015 public service pension schemes confirming that discrimination will be addressed in two parts.

To remove future discrimination from the schemes and ensure equal treatment, all remaining protected members who are not currently members of FPS 2015 will transfer into this scheme on 1 April 2022. This means that all future service for all members will build up in the reformed CARE scheme. Final salary benefits already built up are fully protected.

For benefits built up during the period of discrimination, 1 April 2015 to 31 March 2022, unprotected and taper members will be credited with final salary build-up in their original scheme. At retirement, all members will be able to keep their legacy final salary benefits or choose to receive the CARE benefits that they would have built up in the same period.

These adjustments will require significant change to systems and processes in place and will involve a considerable amount of time and resource to implement. Bearing in mind the unique management and governance structure of the FPS where each FRA is the scheme manager with legal responsibility for running the scheme, and is required to appoint an administrator, implementation will present a specific set of challenges to the sector.

In addition, a second options exercise in relation to [FPS 2006 special members](#) (Matthews) is expected to take place, in which eligible individuals will be able to elect to extend membership beyond 1 July 2000 to any employment as a retained firefighter prior to that date. No timescales are known at this stage. However, Matthews will have a considerable impact in terms of time and resources needed.

Finally, the FPS administration market has seen a reduction in the number of providers in recent years, potentially due to the rising complexity of the FPS. Procurement options when tendering for new administration services are limited<sup>1</sup>.

As part of their statutory role to provide advice to scheme managers and Local Pension Boards (LPBs) relation to the efficient and effective administration and management of the Firefighters Pension Scheme, the Scheme Advisory Board wanted to understand more about arrangements for managing the pension scheme and specifically for implementing the age discrimination remedy.

Following a [paper to the Board on 10 December 2020](#), it was agreed that a survey would be issued to FRAs with the following objectives:

- The results of the survey will be used to determine whether FRAs have a preferred future model of administration and consider whether this is desirable and achievable.
- On implementation of remedy, the outcomes will illustrate how prepared FRAs are, what plans are in place, and where support is most needed.

---

<sup>1</sup> [SAB 17 Sept 2020: Paper 2 Pension administration market and complexity](#)

## 3. Methodology

The survey was designed by the Scheme Advisory Board secretariat in conjunction with the SAB, based on an equivalent survey of scheme managers in the Police Pension Scheme. The questionnaire can be viewed at the following link: [FRA remedy self-assessment survey question set](#).

The survey was launched publicly on 20 May 2021 at a virtual SAB update event. All FRAs in England and Wales were invited by email to participate in the survey on the same date with a clear instruction that the survey should only be completed once per FRA by the delegated [scheme manager](#) or an appropriate representative of the delegated scheme manager. The survey was advertised in [FPS Bulletin 45 – May 2021](#) with the same instruction.

FRAs were provided with a PDF or Word version of the questionnaire to allow internal collaboration before the online Survey Monkey was completed.

### 3.1 Fieldwork

The survey was issued on 20 May 2021 with a closing date of 30 June 2021. Although the closing date was not officially extended, a number of FRAs applied for a short extension which was granted.

In order to ensure that all FRAs had opportunity to submit their views, the survey was not officially closed until 31 August, when the final response was received.

The survey received a 100 per cent response rate of the 44 FRAs in England and 3 FRAs in Wales, although not all FRAs answered all of the questions. The survey summary showed a 96 per cent completion rate at an average of 37 minutes to complete.

Two FRAs did not submit complete responses; one answered no questions beyond section 1 (current arrangements) and the second gave holding responses, for example typing random letters into free-text boxes where it was not possible to progress through the survey without providing an answer.

Throughout the report percentages in figures and tables may equate to more or less than 100 per cent due to rounding

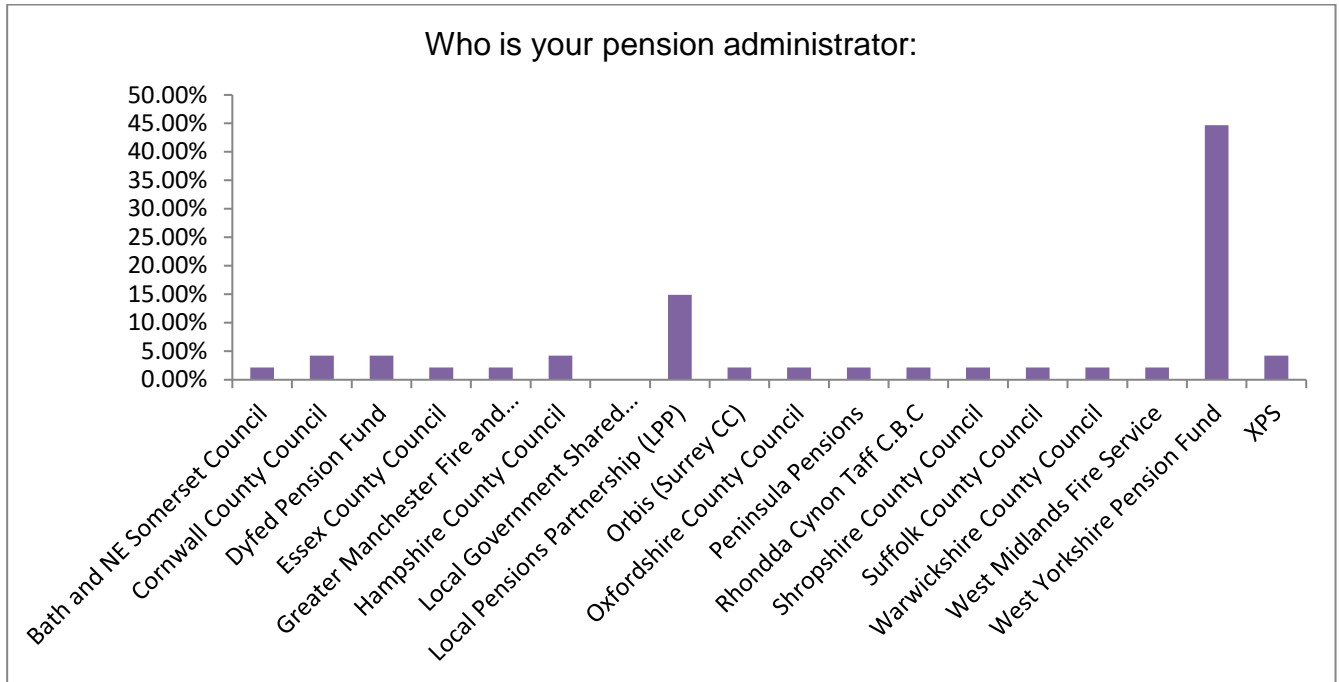
A list of FRAs is attached at [Annex A](#).

## 4. Research findings

### 4.1 Current arrangements

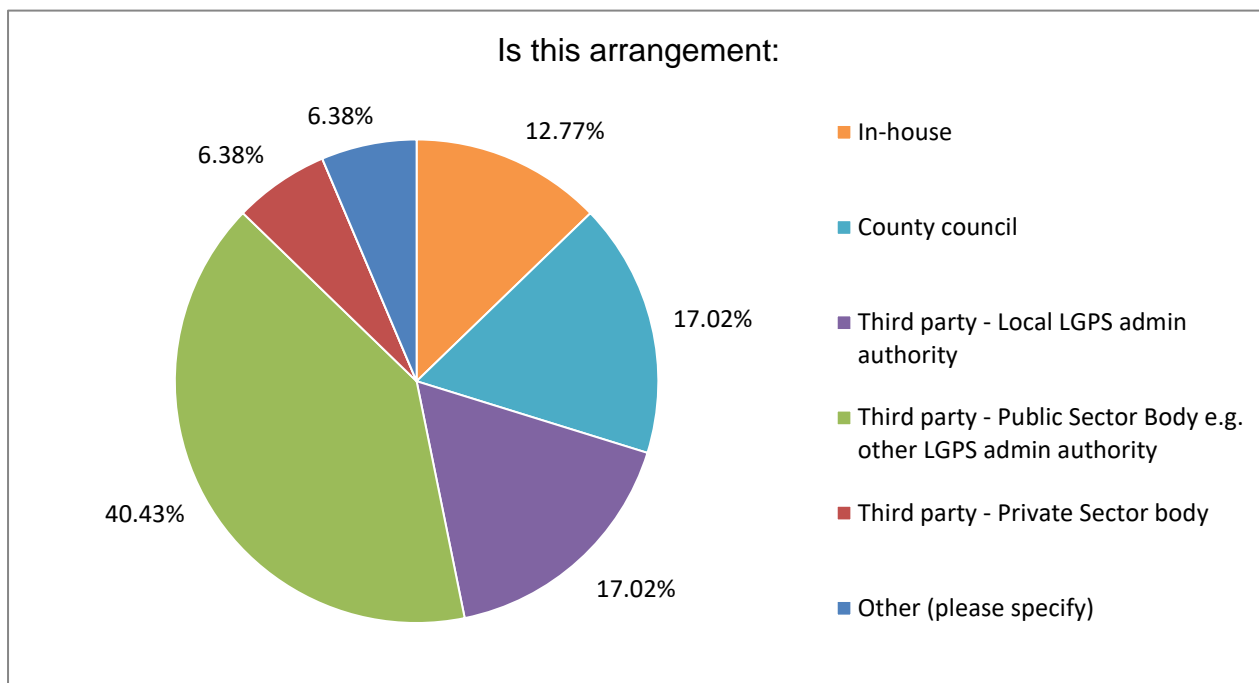
In this section we asked about pension administration arrangements and internal management reporting lines for pensions.

Almost 45 per cent of FRAs are administered by West Yorkshire Pension Fund. Local Pensions Partnership have a 15 per cent share of the market. Some administrators provide services to two FRAs and 11 administrators have a single FRA relationship. In the time that the survey was in the field, one administrator withdrew from the FPS market and another has withdrawn since the survey closed. One FRA is currently tendering for new administration services and the number of providers will reduce again. This is clear evidence of the shrinking marketplace for FPS administration.



When asked to confirm the type of administration arrangements in place, there appeared to be a lack of clarity over terminology used as the individual responses did not align with our expectations. For example, six FRAs reported that their administration is carried out in-house, but there are only two authorities that are wholly administered in-house.

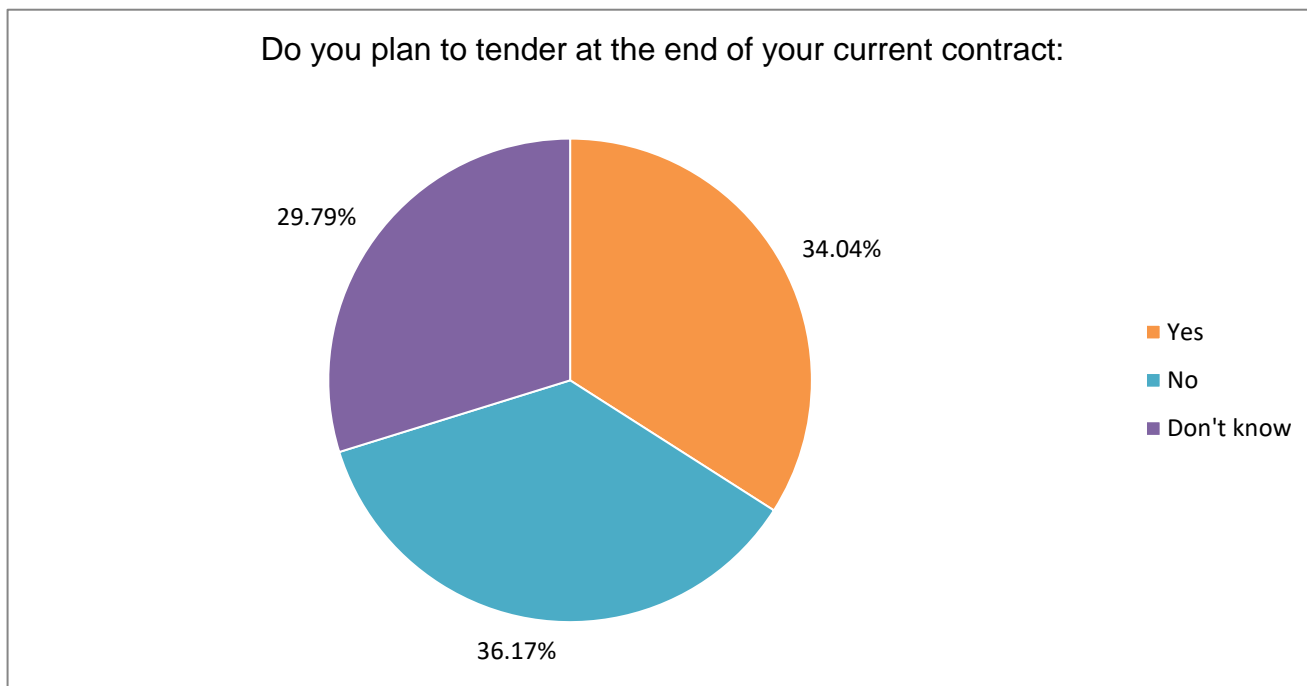
The main discrepancies seemed to occur between in-house and local LGPS fund, and county council and local LGPS fund, although the boundaries are less clear between the latter pair. The percentage of third party – other LGPS fund was broadly in line with expectations. Three FRAs selected other and noted that their administration is carried out as part of a shared service agreement. In hindsight, this would have been a useful addition to the dropdown menu.



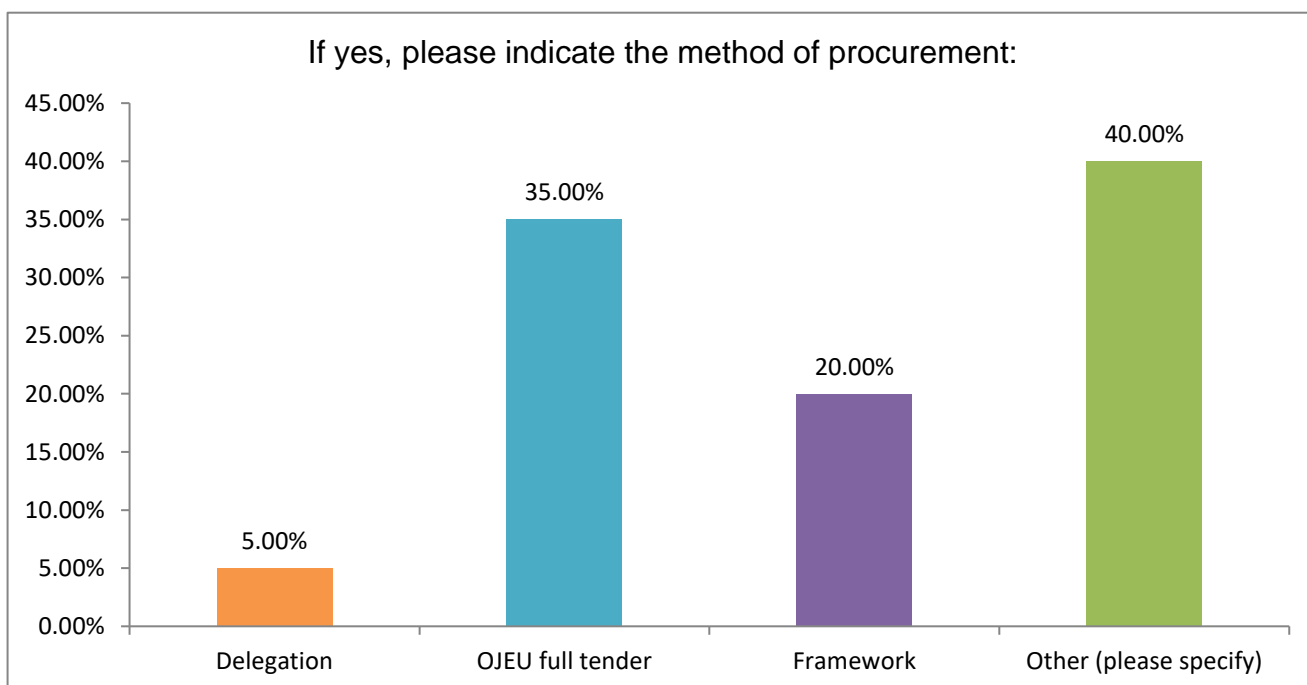
Dates that administration contracts started varied from 1940 to 2021. Five FRAs did not know when their current arrangement began.

Over half (54 per cent) of current administration arrangements are due to end within the next four years, and a further 9 per cent before 2030. Seven FRAs did not know this information and 11 reported that their arrangement is open-ended. There was no discernible pattern of FRAs with a particular administrator who do not have an end date to their contract. There is a possibility that smaller administrators will use this opportunity to relinquish their FPS contracts as it has been reported anecdotally that some struggle with the time and expertise needed to administer the scheme.

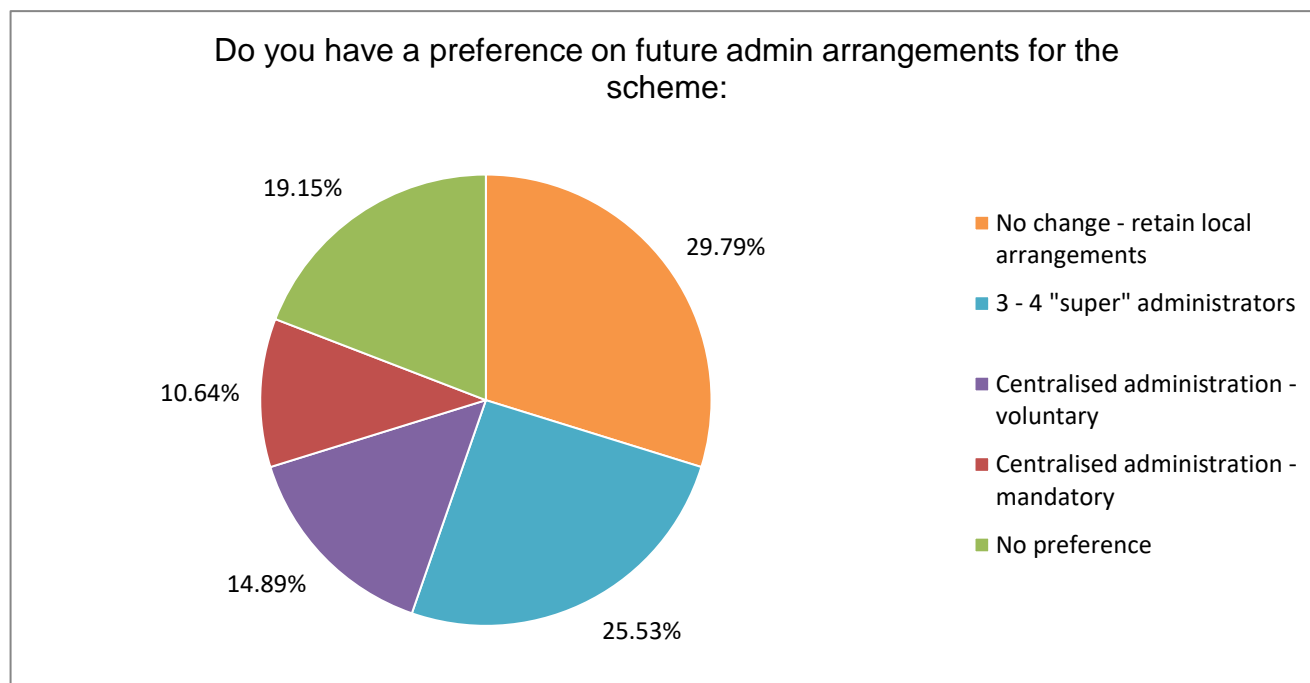
The split between FRAs planning to tender at the end of their current contract was fairly evenly distributed.



As noted, the routes to procurement for FRAs are limited. The options available are delegation, OJEU full tender, and framework. It should be noted that the only existing framework includes just one administrator who provides FPS services. Twenty FRAs provided a response to this question and there was no clear preference between the options. One respondent commented under “Other” that OJEU no longer exists but when tendering, the equivalent at that time will be used.



Given the complex structure and legislative background to the FPS, commentators have often speculated on whether there is an argument for centralising scheme administration. Over recent years we have seen a gradual reactive shift towards one or two main providers, which would appear to support this suggestion. However, the responses to preference on future arrangements for the scheme were inconclusive, with almost 30 per cent wishing to retain local arrangements and 20 per cent expressing no preference. One-quarter preferred a smaller number of “super” administrators and around the same number stated that administration should be centralised, either on a voluntary or mandatory basis.



In order to establish and review internal controls, we asked FRAs what position oversees delivery of pension administration, and who line manages that post-holder. As a free-text field, the responses varied considerably. Lists of the responses are available at [Annex B](#) and [Annex C](#) respectively.

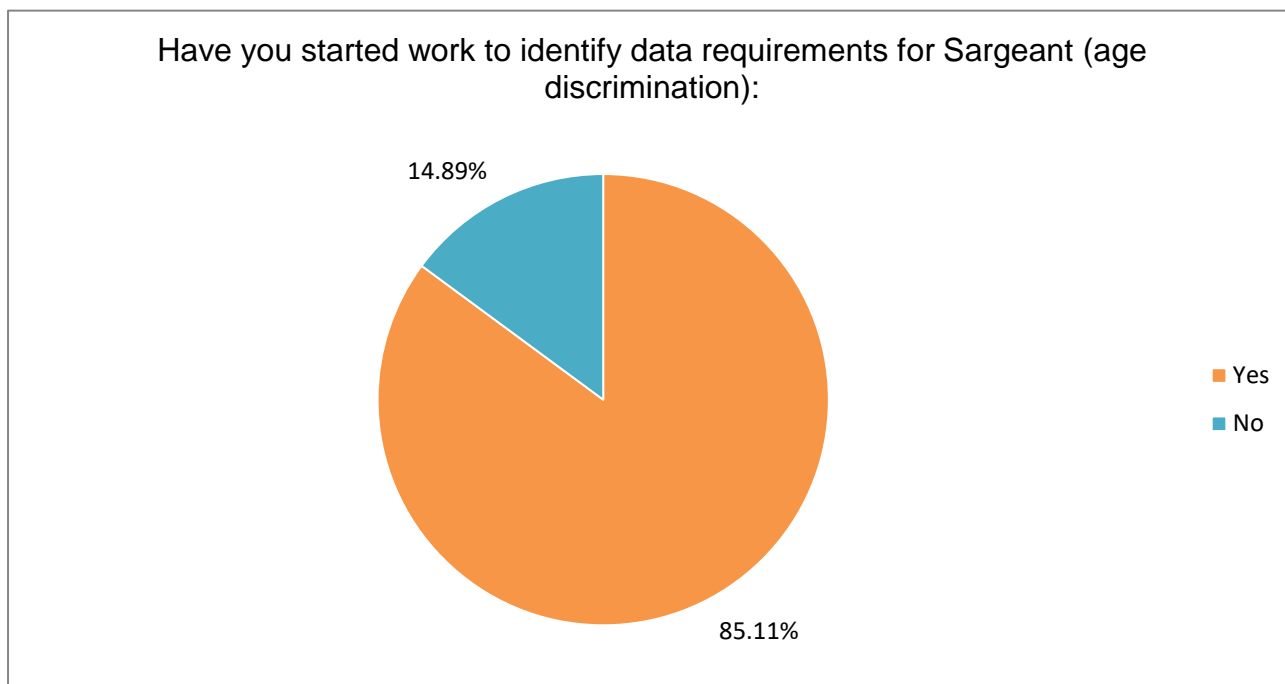
The majority of those overseeing the delivery of the administration contract are a manager or head of department in either human resources, finance, pensions, or payroll. These posts are generally line managed by a member of the senior leadership team, such as a director, or in many cases, the chief fire officer. This is broadly in line with our expectations for scheme manager delegation.

## 4.2 Data - pay, service, and contributions

### 4.2.1 General provisions

This section asked questions about FRA’s plans for managing data in Sargeant and Matthews.

Firstly, we asked whether FRAs had started work to identify data requirements for Sargeant in line with the [data collection tools](#) issued by the LGA. Eighty-five percent indicated that work had begun. Respondents were asked to comment on what key requirements or actions had been identified, or if they had not started, why that was the case.



Where a free-text response had been entered, the majority of FRAs indicated that work had begun to identify members eligible for remedy and how to obtain the necessary data, in collaboration with payroll providers and administrators. Others also identified that immediate detriment cases were being processed.

Key requirements were stated as further clarity on technical issues and additional resource.

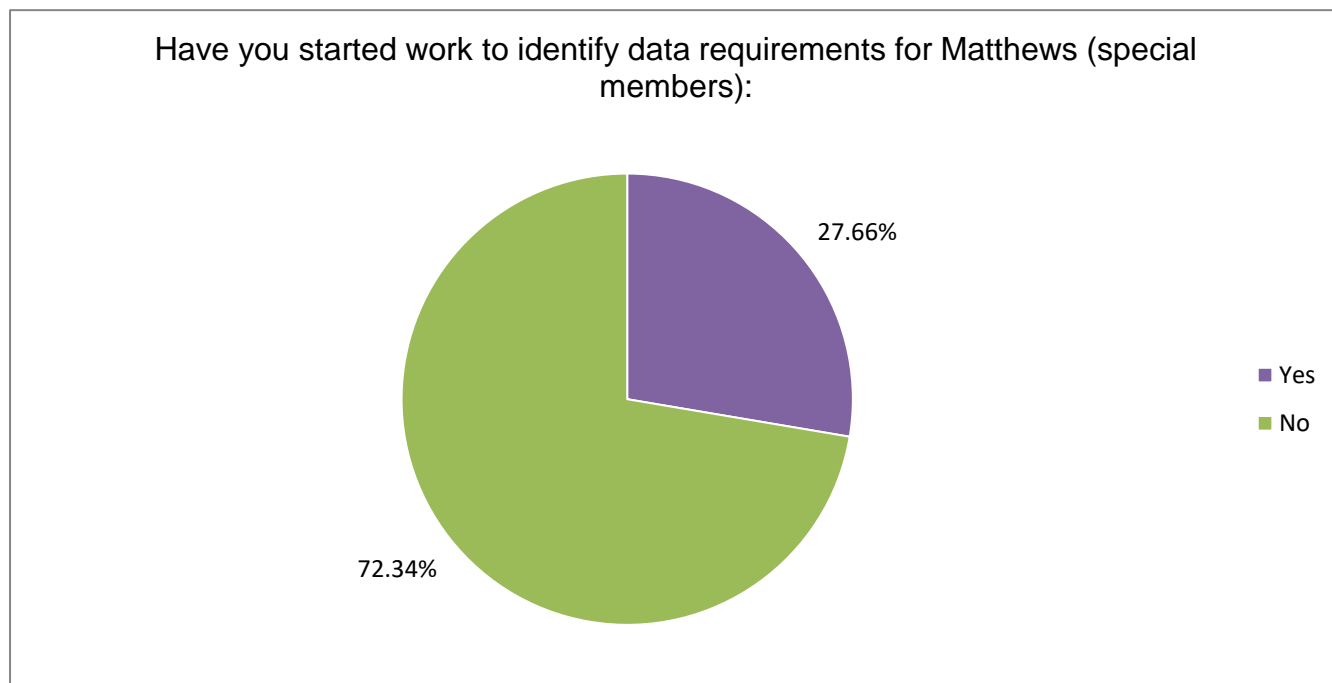
Of the seven FRAs that had not started work to identify data requirements, two commented that they were awaiting the software data extract, and one had been delayed due to transferring to a new pension administrator.

When asked the same question on data collection for Matthews, the percentage results were markedly different, with approximately three-quarters (72 per cent) stating that they had not started scoping requirements, and one-quarter (28 per cent) who had.

These findings were to be expected; as reflected in the additional commentary, there has been no confirmation yet as to eligibility or the mechanics of the exercise, as these details are still subject to legal negotiations. Many FRAs also identified that they are not sufficiently resourced to undertake two large-scale data interrogation exercises at the same time. One FRA confirmed that they do not have any retained firefighters and will therefore be exempt from the options exercise.

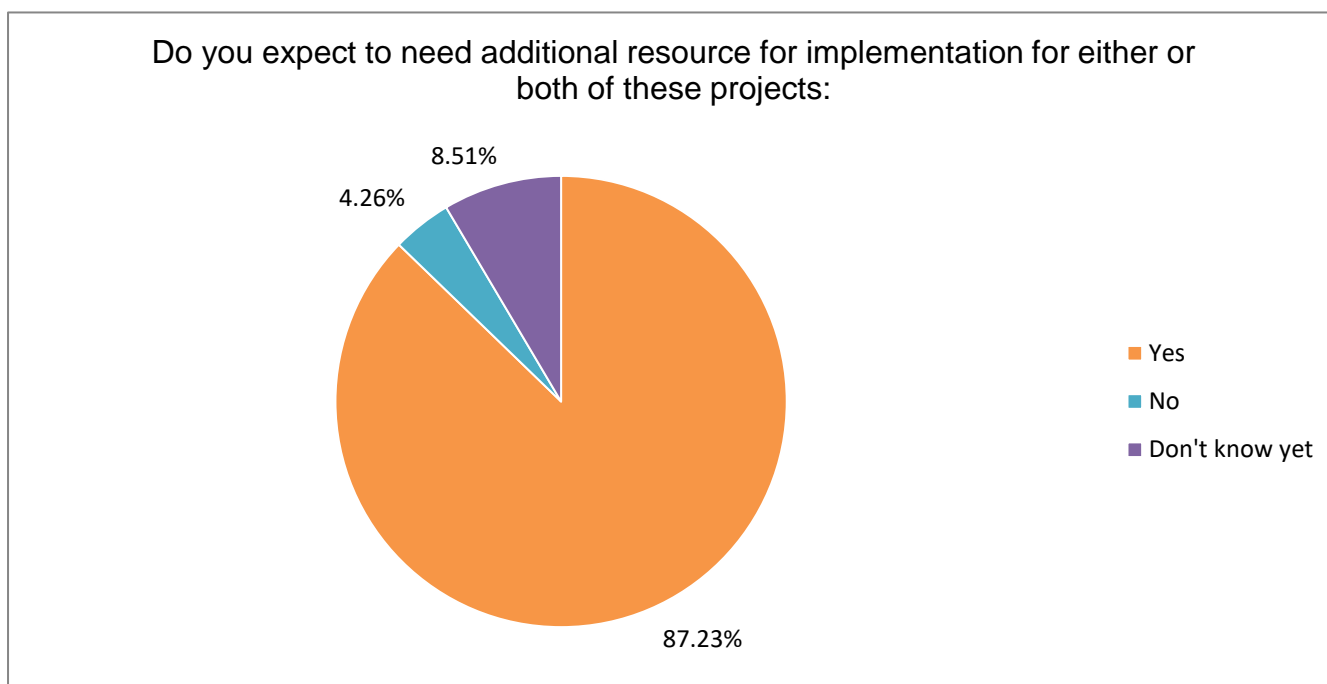


Of the minority who have started to look at what will be required, the detailed responses indicated a broad understanding of what will be needed and an intention to use the base data and communications from the first exercise as a starting point.



Perhaps unsurprisingly, 87 per cent of FRAs indicated that they expect to need additional resource to implement one or both projects. Of the two authorities that responded negatively, there is a high likelihood that their expectation is incorrect. One appears to have not given credible responses to the survey beyond the first section, as evidenced by input to free-text fields such as “joe bloggs”, and the other has stated that their administrator will implement remedy for them, which will almost certainly not be the case.

There was some correlation between FRAs who had not started data work for Sargeant and those who felt they would not need additional resource or did not know.



To ascertain that remedy is being overseen at a senior level within an authority, we asked FRAs to confirm what position will lead on remedy data for both Sargeant and Matthews. Common responses were a manager or head of department in either human resources, finance, pensions, or payroll. It is again likely that this might be the delegated scheme manager and has been stated as such by some respondents.

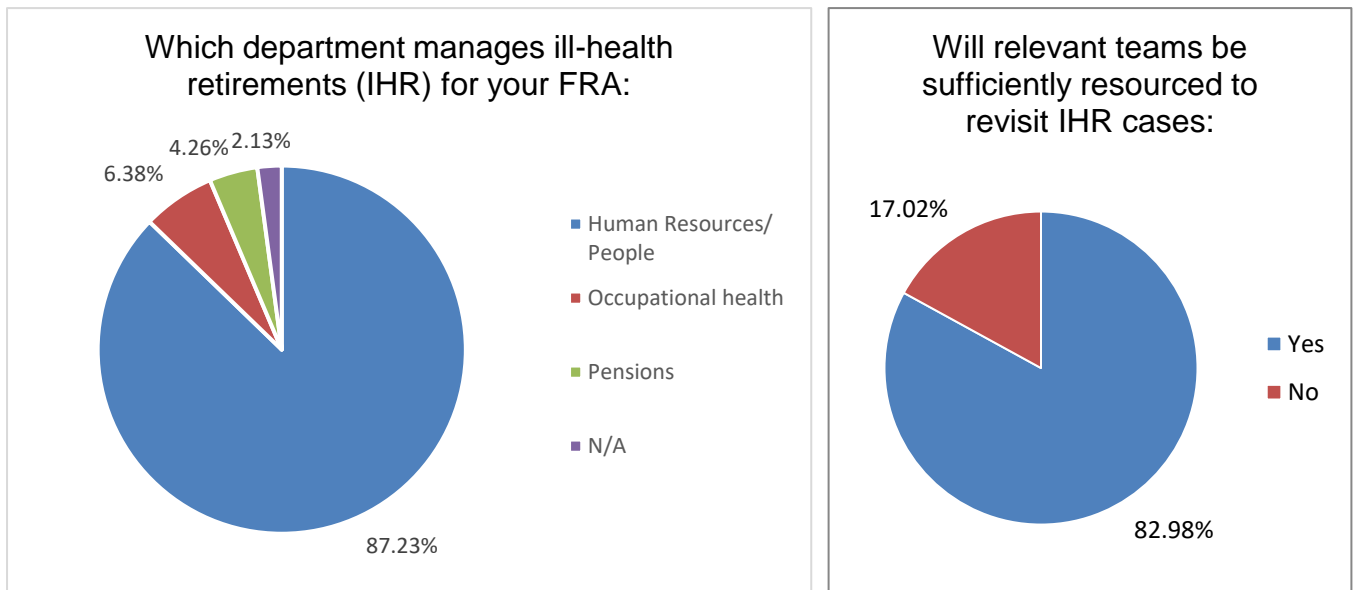
A list of the responses is available at [Annex D](#).

Moving on to specific requirements for age discrimination remedy, the HMT consultation response indicates that ill-health retirement (IHR) cases may need to be reassessed by an Independent Qualified Medical Practitioner (IQMP) against the member's opposite scheme to establish entitlement in that scheme.

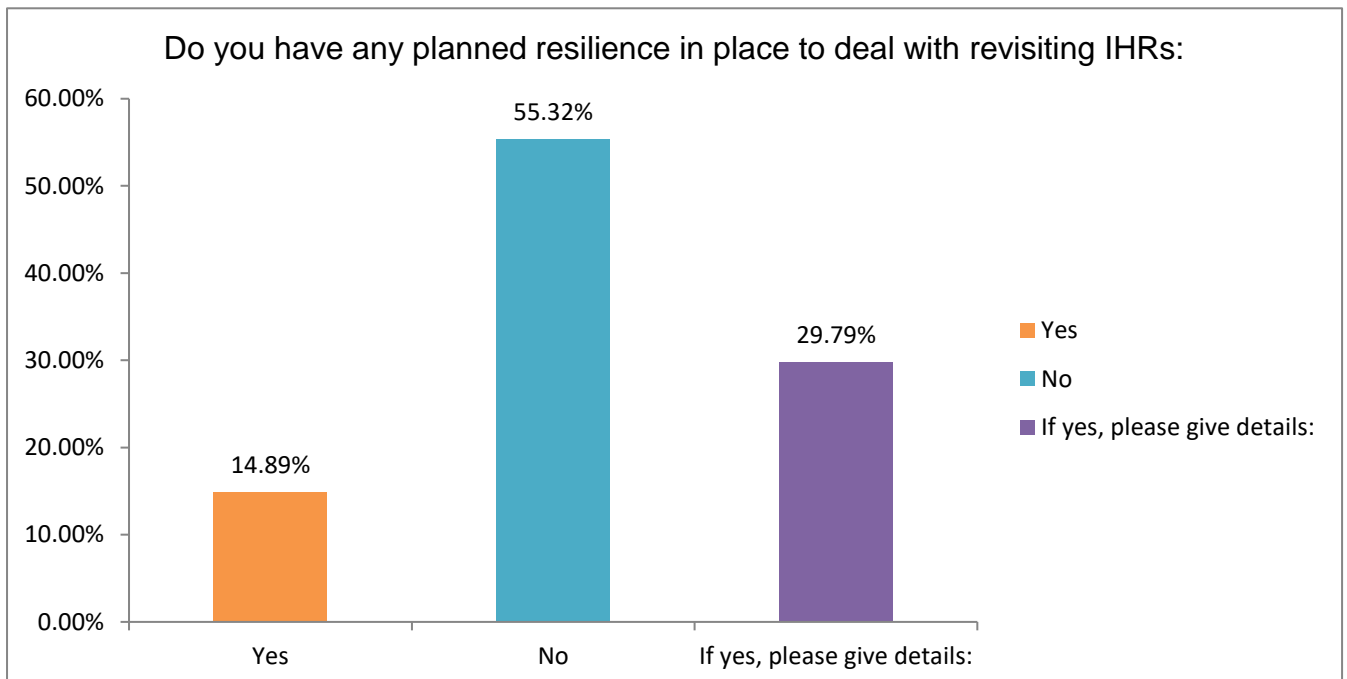
We asked FRAs to confirm which department manages IHR within the organisation and whether relevant teams will be sufficiently resourced to revisit these cases.

While the first of these questions invited a free-text response, answers tended to fall into one of four categories and so have been grouped into themes of human resources, occupational health, and pensions. One FRA gave a N/A response. "Human resources" or "People" was by far the most common answer at 87 per cent and this would be in line with our experience and expectation.

Eighty-three percent went on to confirm that relevant teams would be sufficiently resourced to manage reassessment of IHRs which is very positive. Despite the nature of a firefighter’s employment, ill-health retirements are still relatively infrequent.



This statistic is borne out by the next question which asked whether FRAs had any planned resilience in place to deal with revisiting IHRs. While responses were split almost evenly between “yes” (45 per cent) and “no” (55 per cent), the detailed comments confirmed that the number of cases was likely to be small and requirements could therefore be met within existing resources.



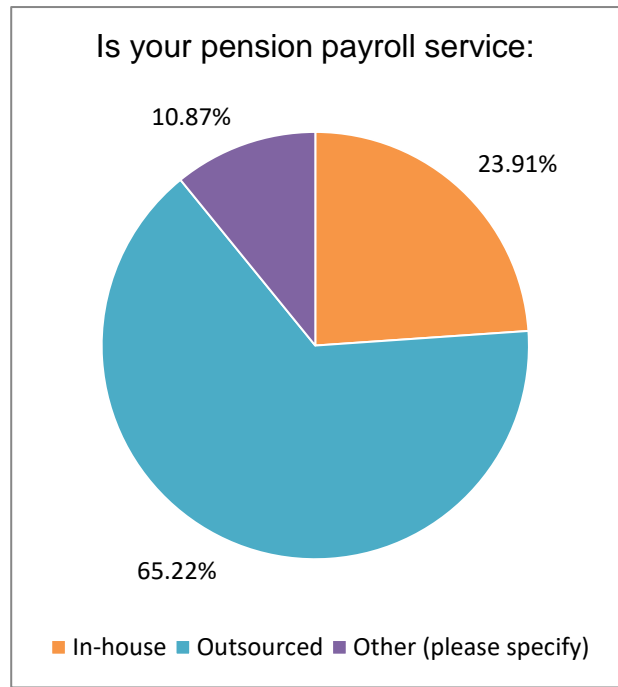
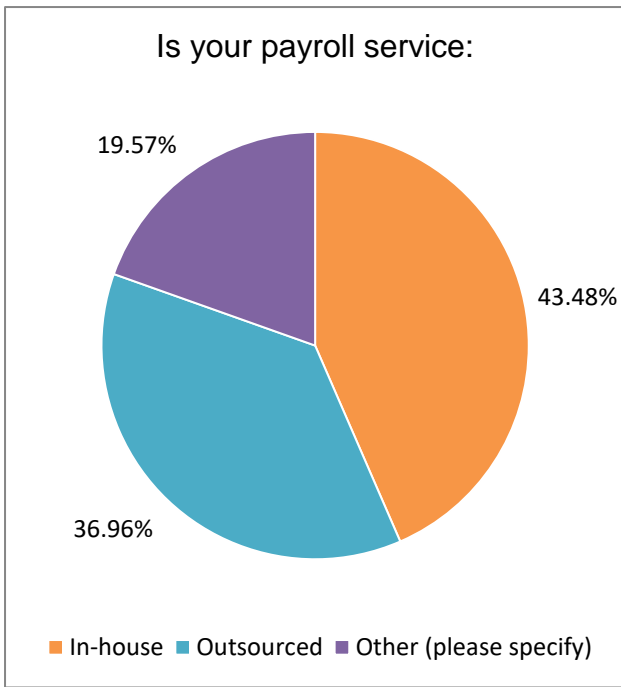
If yes, please give details:
Small number of cases need to be revisited, additional resources available within the pension activity
XPS have a working risk assessment register which monitors the project as a whole including legislation, policy, systems, data and resourcing.
We had identified 2 cases, which has already been reassessed
No resource currently available
Low numbers of IHR, not presently seen as a concern.
There aren't a significant number & will be met through the existing HR & Occupational Health provider
we have very few IHR cases
Additional trained department members.
Occupational Health
within existing team resources
extra resources obtained through McCloud/Sargent project
We have third party OH and pensions administration services.
Part of a wider Shared Services arrangement that has capacity
Additional resource not required due to the small number of cases

#### 4.2.2 Pay and employment data

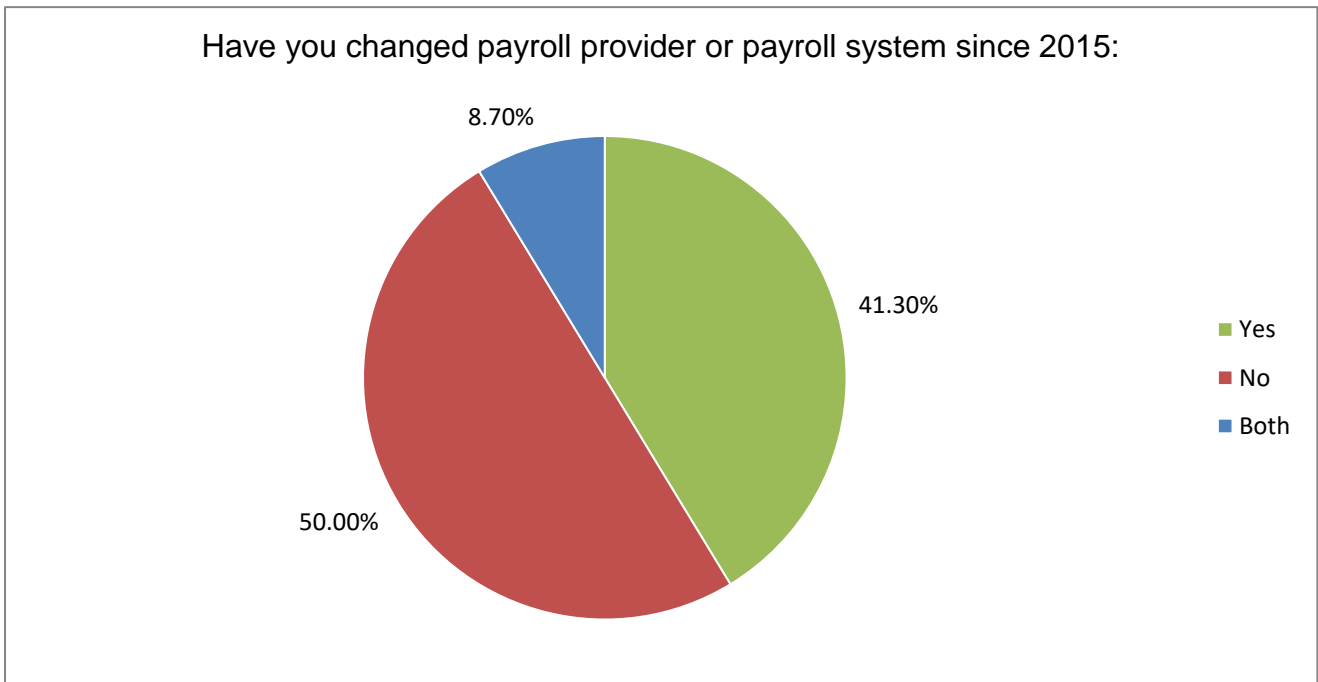
The next section sought information about FRAs' payroll data and services and employment records to establish how easily data might be obtained and identify any additional processes or collaboration that would be needed.

Forty-three per cent of FRAs have an in-house payroll service, compared to 24 per cent for pension payroll. Accordingly, 37 per cent have outsourced their payroll function for employees, but 65 per cent have an outsourced pensioner payroll. In many cases, this will be outsourced to the pension administrator.

For the 20 per cent who indicated "other" for payroll service, this was specified as a hybrid arrangement or as part of a shared service; and for pension payroll, 11 percent of "other" was defined as a shared service or part of the pension administration service.



Half of FRAs have changed either their payroll provider and/ or payroll system since the start of the remedy period in 2015, which may present additional challenge in obtaining historic payroll data.



The number of years that payroll records go back ranged from three to 40, with a mean value of 16.

FRAs were asked to detail any problems they could foresee with obtaining pay data for Sargeant and Matthews, noting that pay data for age discrimination will date back to 2015 and for the second special members options exercise could be as early as the 1970s.

While some FRAs did not anticipate any difficulties with collating the necessary data for Sargeant, others stated that creating schedules of alternate contributions and differences in pensionable pay between final salary and CARE schemes would cause complexity. Some FRAs commented that changing systems or providers would create additional challenge, as noted above, and further, that collating data from multiple sources may lead to inaccuracies.

Several FRAs noted that while obtaining the remedy data in itself would not be difficult, it would be time-consuming.

Collection of relevant data for Matthews is clearly deemed to be more challenging. The majority of respondents expressed concern that data will no longer be available for the periods in question, and that there would be difficulty in identifying and verifying all eligible individuals. Some FRAs added that although they may have some archive information available, it is unlikely to be in electronic format, for example hard copy ledgers or microfiche.

A full breakdown of the free-text responses is available at [Annex E](#).

Additionally, for Matthews, as eligible individuals will have the opportunity to purchase FPS 2006 membership from the start date of their employment, FRAs were asked to indicate how many years their employment records go back. Here the number of years ranged from zero to 50, with a mean average of 21.

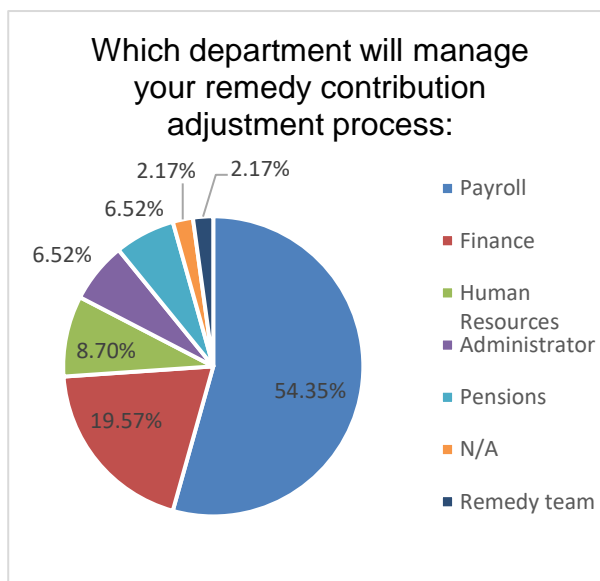
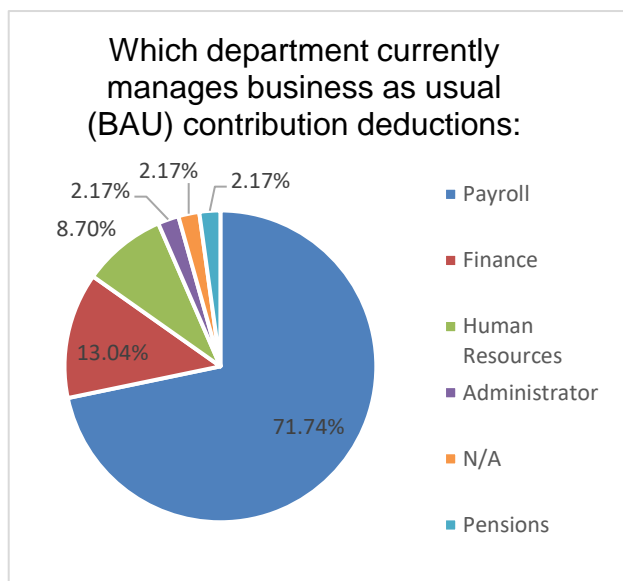
### 4.2.3 Contribution data

Finally in this section, we asked FRAs to explain their plans for managing the contribution adjustments that will be required for all members who are eligible for age discrimination remedy. These adjustments will need to be done when member's benefits are converted from CARE to final salary for the remedy period, and potentially again at retirement, if the person elects to receive their deferred choice underpin of reformed benefits.

We asked FRAs to specify which department currently manages business as usual contribution deductions and which department will manage the remedy contribution adjustment process, to test thinking and establish any common themes.

The free-text responses were again grouped by category and while the categories were similar across both questions, the percentage split varied. "Payroll" and "Finance" were the most common replies to both questions, with the remainder split between a dedicated pensions department or HR.

Although the results were broadly comparable, FRAs acknowledged within their responses that input from different departments or different processes for different cohorts of member would be necessary, for example, payroll for active members and the administrator for deferred and pensioner members where an employment relationship no longer exists.



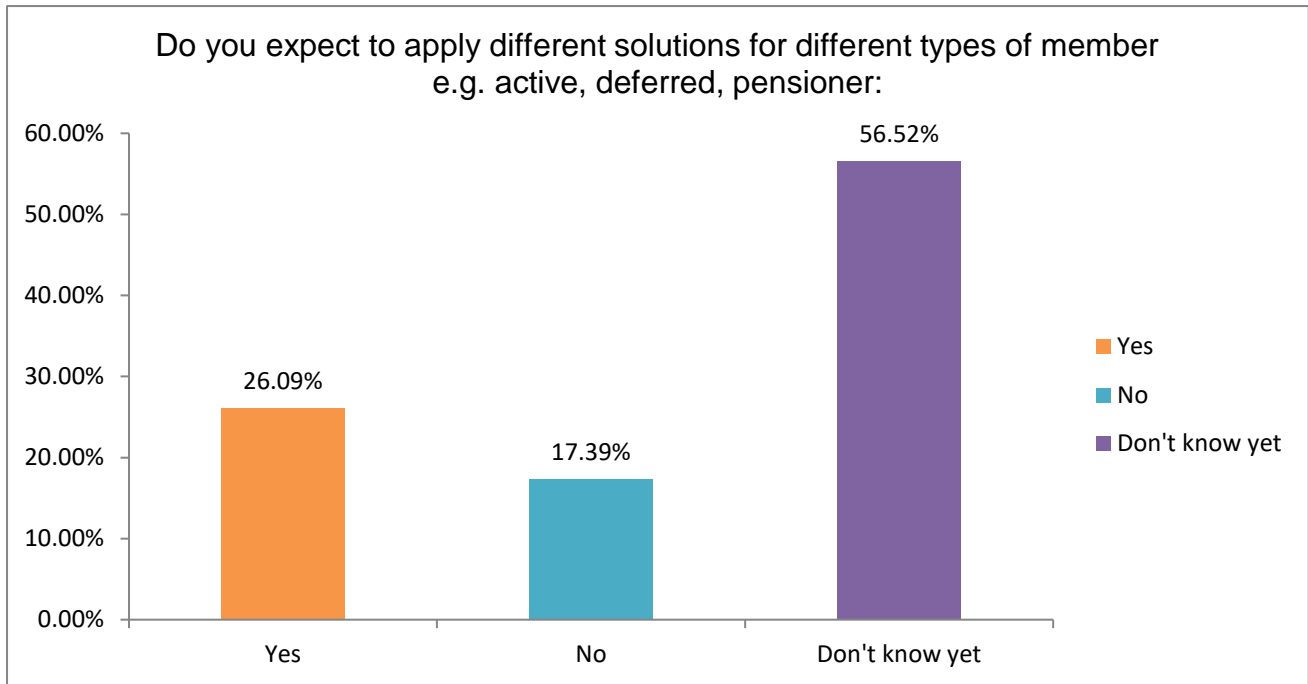
The results were less conclusive when authorities were asked directly if they expected to apply different solutions for different types of members. Here, over 50 per cent said that they did not yet know.

Respondents were asked to give more detail if they answered “yes”; this would more helpfully have been extended to also include the “no” responses. Where differences were identified, FRAs noted that tax relief can only be given at source for active members, therefore a different process would apply for pensioners and deferred members:

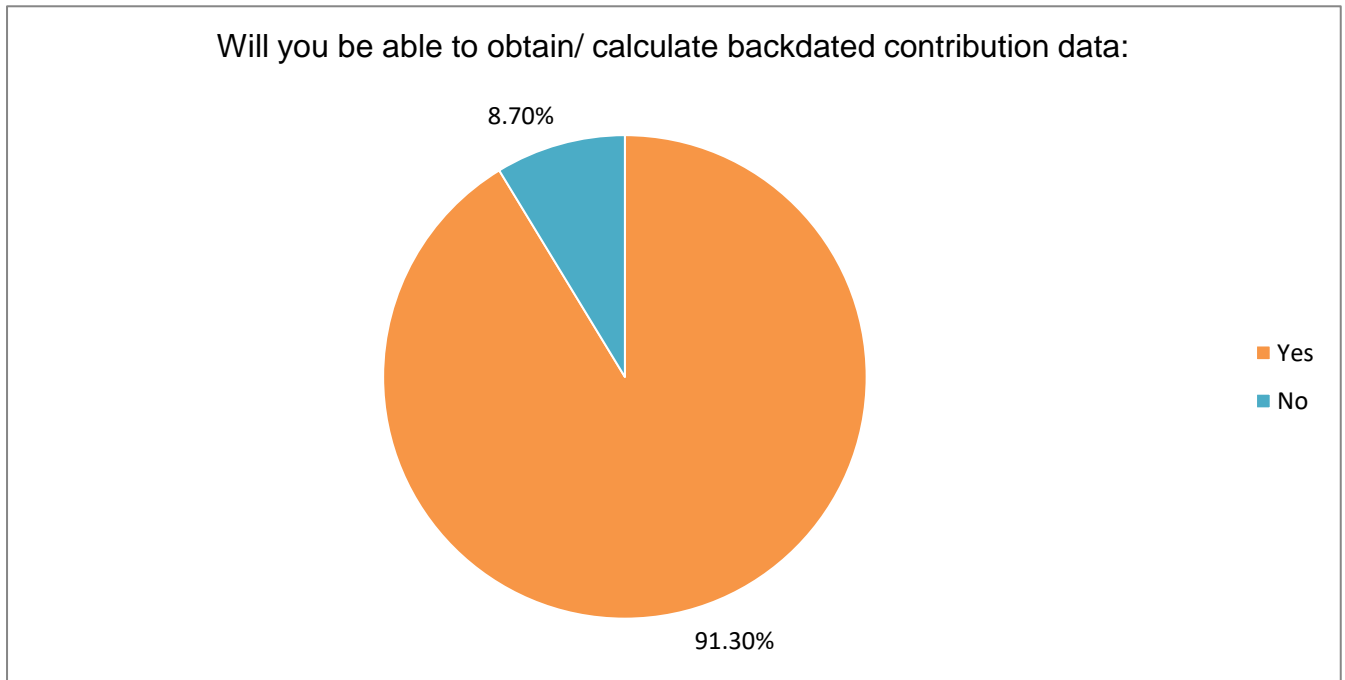
*“Only active members’ contributions can be collected or refunded via payroll, giving tax relief at source. For deferreds and pensioners, contributions could be collected by the AR department or by the administrator as a deduction from pension payable. The Regulations should make clear what method is appropriate. Contributions cannot be collected until after the member has made his/her choice.”*

Respondents also commented on differing personal circumstances and expressed concern over affordability.

There appeared to be some confusion between legislative remedy and immediate detriment cases processed before regulations and software are in place; for clarity, immediate detriment is not within the scope of this survey.

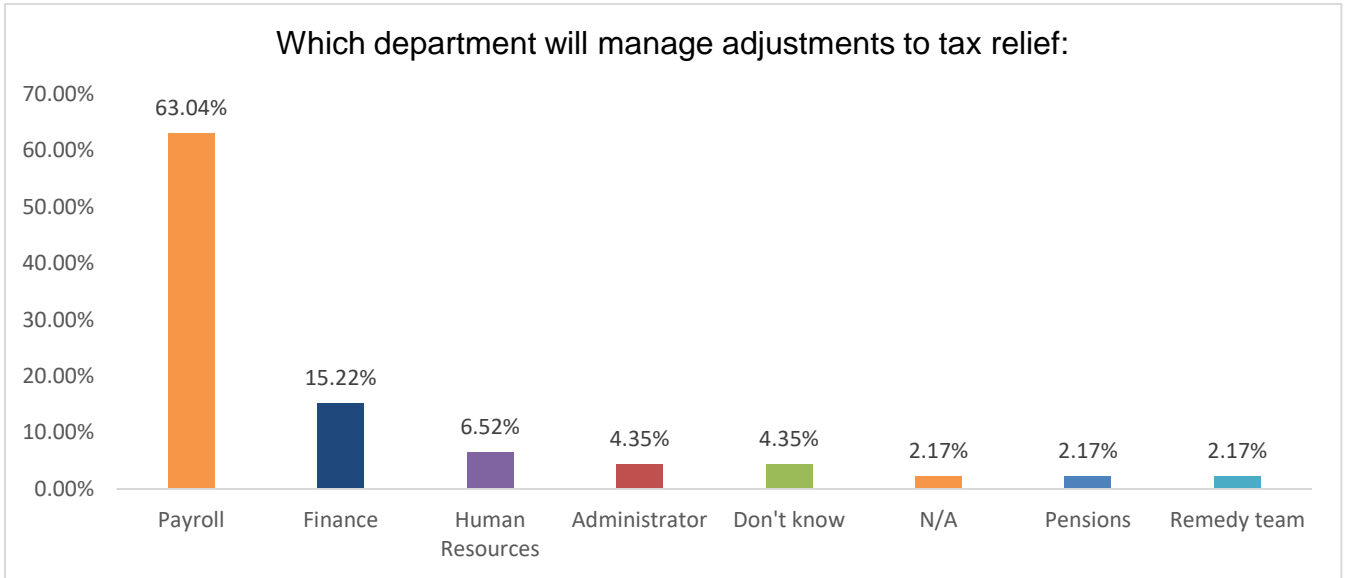


Despite this uncertainty, 91 per cent of respondents indicated that they will be able to obtain or calculate backdated contribution data. It would have been useful to understand why the remaining 9 per cent, equivalent to four FRAs, felt that this will not be the case; unfortunately, this additional information was not requested.



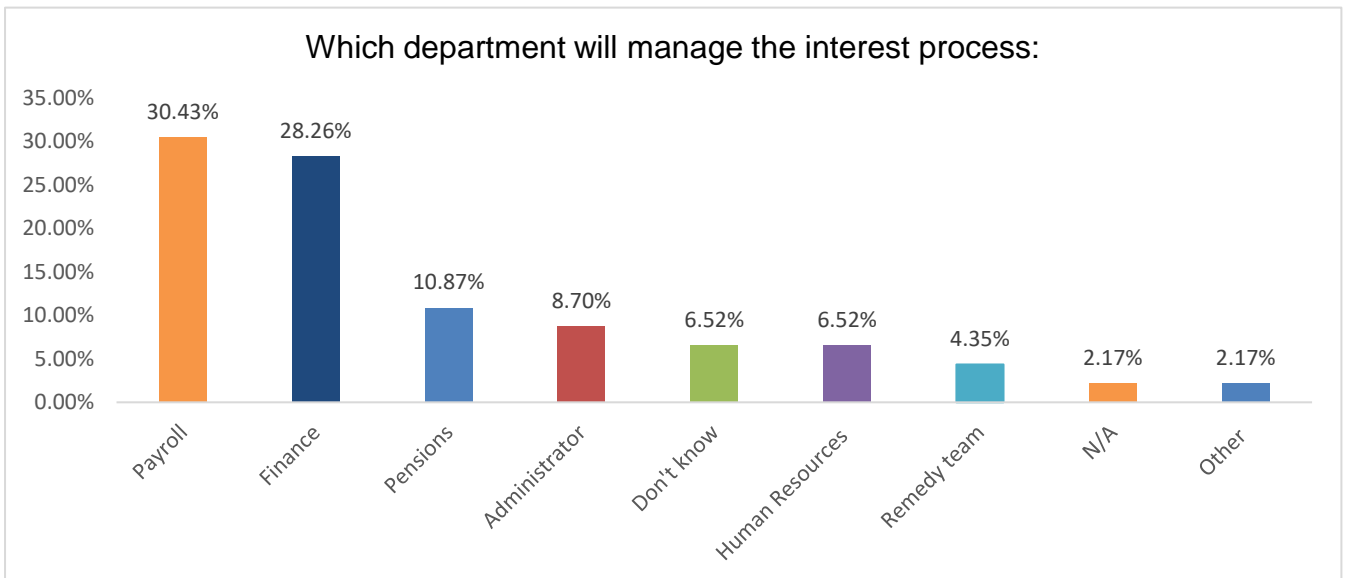
Adjustments of contributions at either point in the remedy process will necessitate corresponding adjustments to tax relief. Sixty-three per cent of FRAs confirmed that these adjustments will be managed by the payroll department, whether this is in-house or outsourced. Some FRAs indicated that this may also depend on the cohort of member.





The HMT consultation response indicates that interest will be due on amounts paid by schemes to members, and vice-versa. This will include on contributions adjustments. Here, 30 per cent of FRAs stated that payroll departments will manage the interest process, while 28 per cent indicated that finance teams would be responsible.

A more collaborative approach to the interest process is envisaged, with departments working together to ensure the correct payments are made or deducted.



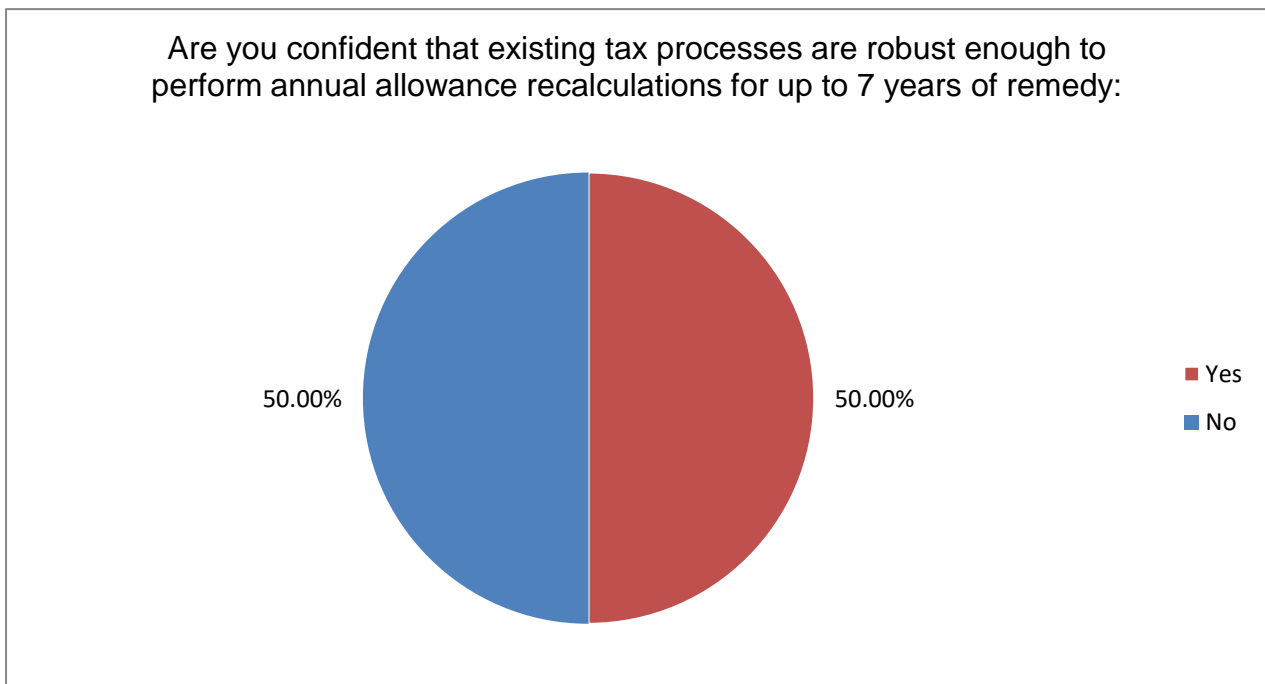
Finally, FRAs were asked to detail any issues that they thought might occur with adjustments of contributions. A wide range of responses were received, and the free-text comments are available at [Annex F](#). Key themes included available resource, lack of guidance, and impact on individual members.

## 4.3 Processes and impact

### 4.3.1 Pensions tax adjustments

In addition to tax relief implications, pensions growth will also need to be recalculated for the remedy period which may lead to new breaches of the annual allowance and lifetime allowance tax limits.

When asked whether they are confident that existing tax processes are robust enough to perform annual allowance recalculations for to seven years of remedy, FRAs returned a perfect 50-50 split.



Those that responded negatively were asked to provide details of any changes that would be required to systems or processes. Many FRAs identified that the administrator would be responsible for performing these calculations, so they were unsure as to the level of confidence. Others commented that it was not possible to give an informed response until legislation and guidance is available, which in turn will inform the level of software automation.

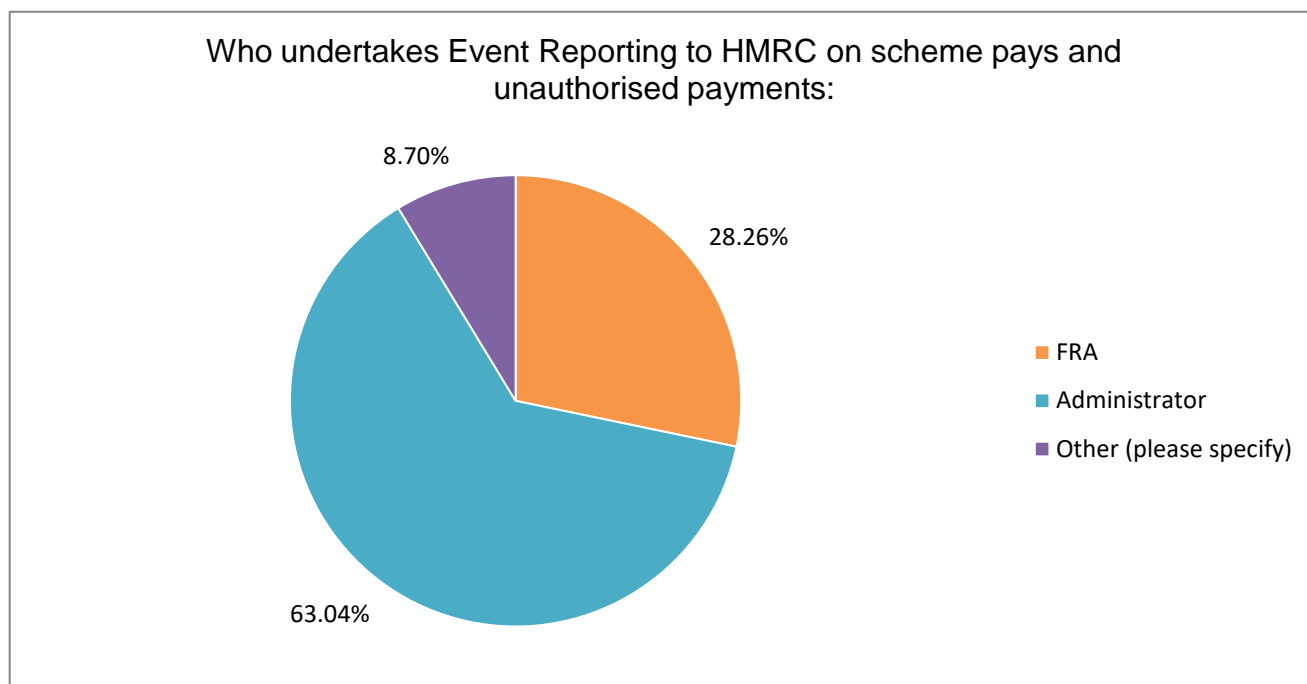
Multiple FRAs noted that the consultation response indicated the government's intent that members would not incur any extraordinary annual allowance charges that they would not have incurred but for remedy and felt that this question suggested this would not be the case.

Paragraph 2.93<sup>2</sup> confirms that members electing for reformed scheme benefits at retirement will not bear any additional annual allowance charge that is a direct result of them exercising that choice. The question was a genuine enquiry and not intended to suggest anything contrary to the government's position.

<sup>2</sup> [Public Service Pensions: Government response to consultation](#)

Administrators were also reported to be primarily responsible for Event Reporting to HMRC on Scheme Pays (whereby the scheme pays a tax charge to HMRC on behalf of the member which is then reclaimed as a deduction from annual pension) and unauthorised payments (for example where a lump sum exceeds the permitted tax-free maximum).

It is possible that these types of reportable events may increase as a consequence of remedy implementation.

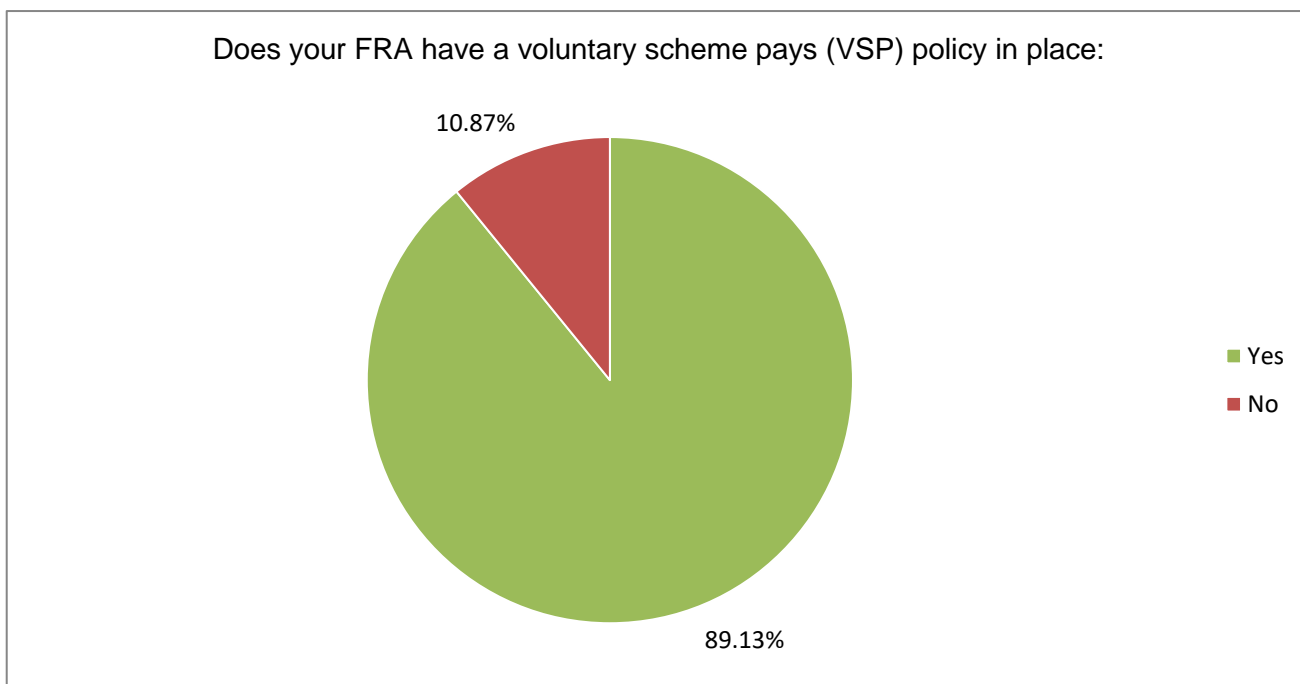


There are [two types of scheme pays arrangements](#): Mandatory Scheme Pays (MSP), which can only apply in certain circumstances, and Voluntary Scheme Pays (VSP) which offers more flexibility.

At the time of the survey, it was only anticipated that VSP would be able to be used by members to settle tax charges following the remedy adjustments, therefore FRAs were asked if they had a VSP policy in place. Eighty-nine per cent have a policy and 11 per cent do not.

On 20 July 2021, [HMRC published a policy paper](#) and [draft regulations proposing to extend the MSP deadline](#) for members whose pension input amount is retrospectively changed. This will allow members whose annual allowance position for a previous tax year has been changed retrospectively to use MSP.

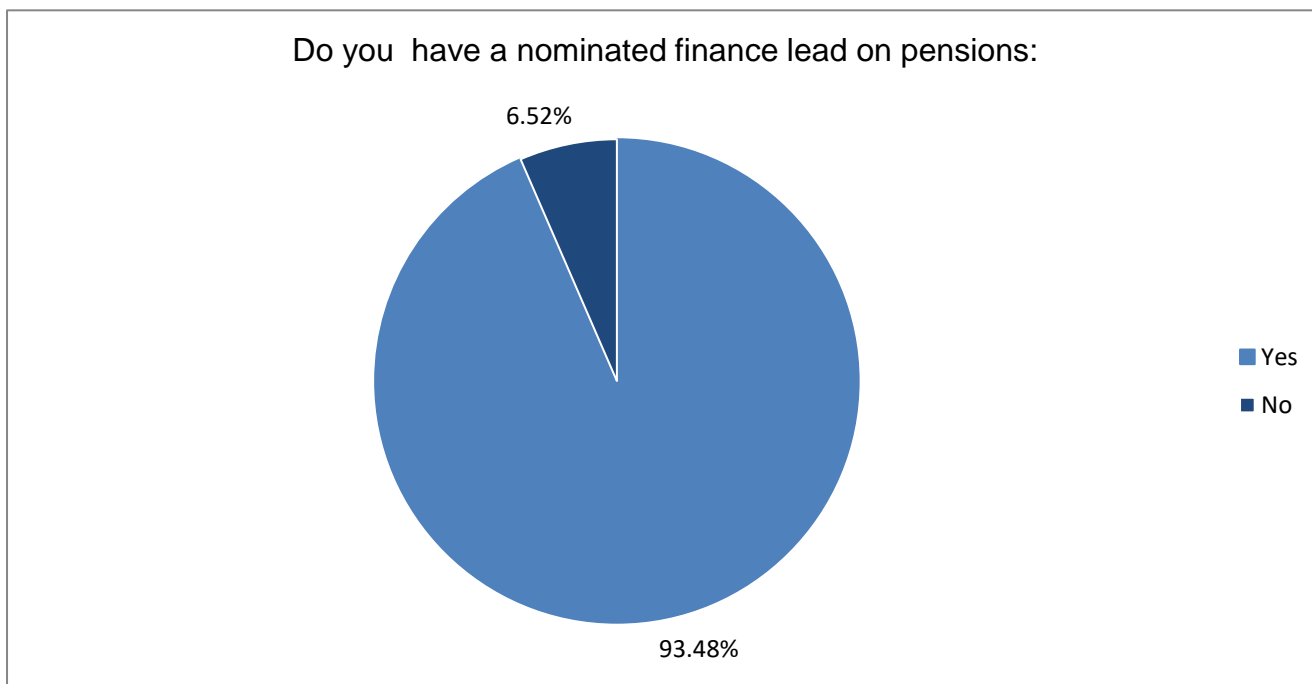
These changes are intended to come into force on 6 April 2022 and be backdated to 6 April 2016.



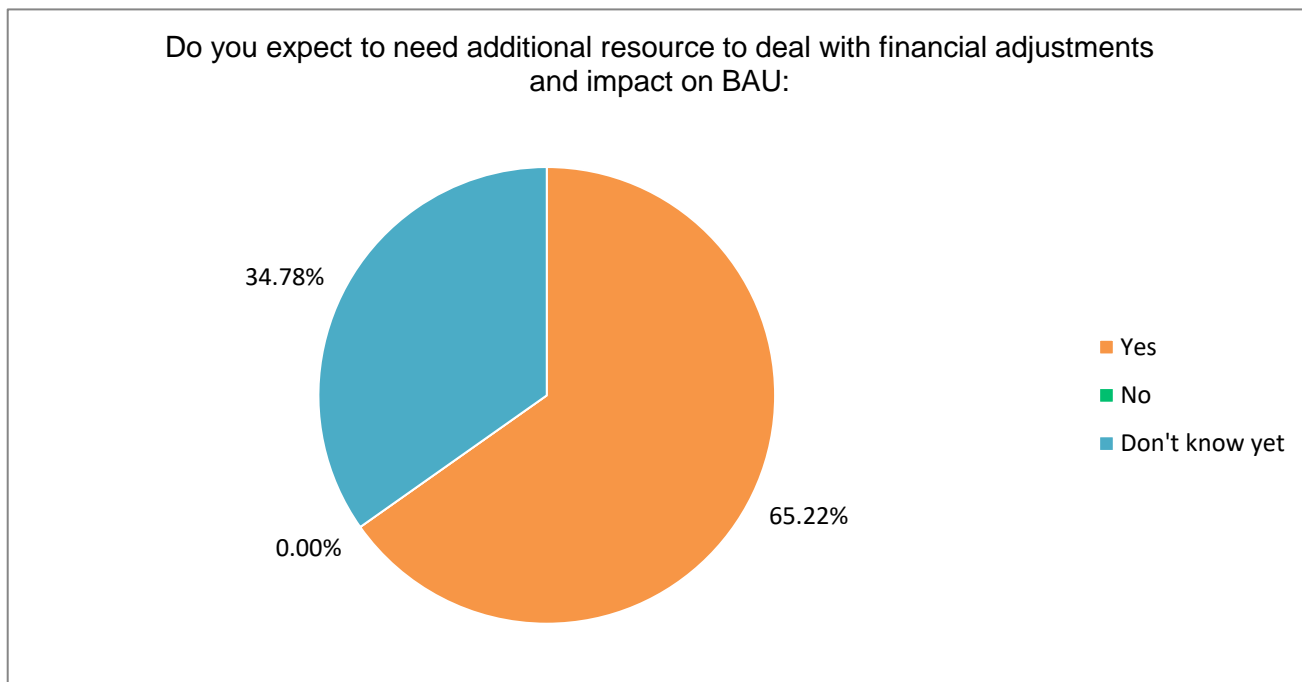
### 4.3.2 Financial processes

It is expected that financial processes will be impacted by remedy and that there may be associated budgetary costs. The questions in this section relate to an FRAs resources to deal with financial impacts.

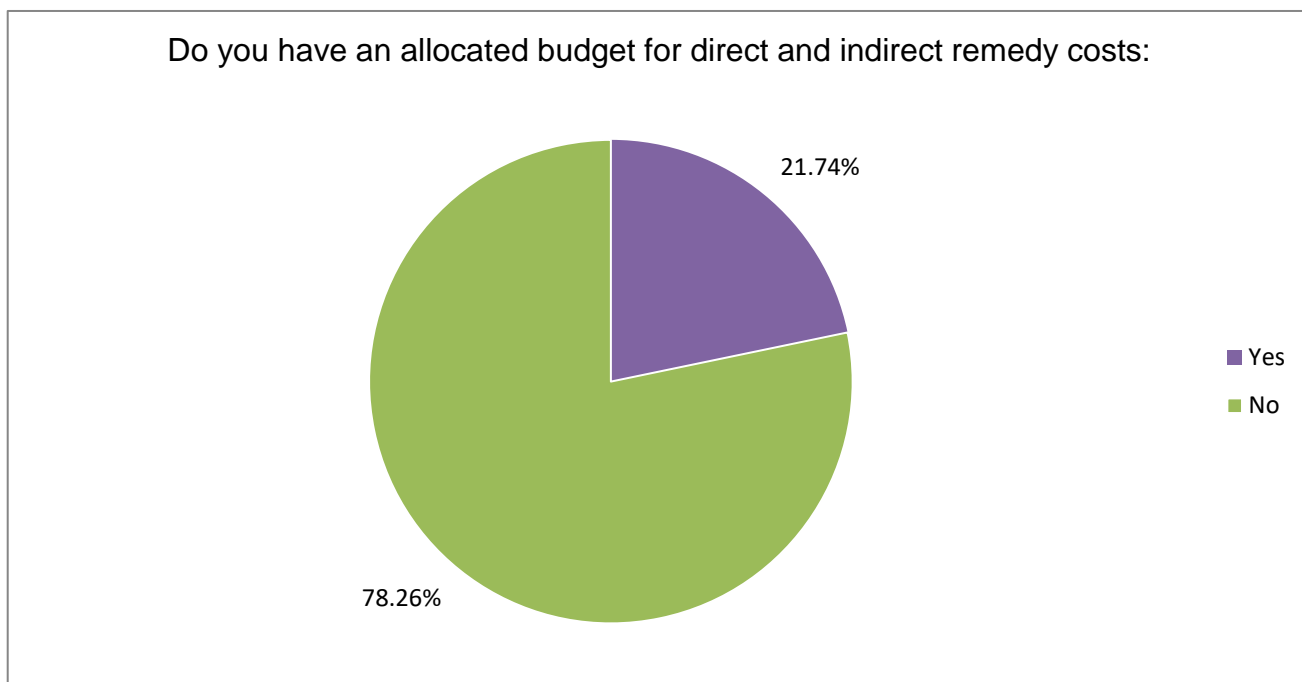
Almost all FRAs (94 per cent) have a nominated finance lead for pensions.



Sixty-five per cent of FRAs expect to need additional resource to deal with financial adjustments and impact on business as usual. Tellingly, the remaining 35 per cent answered “don’t know yet” rather than “no”.



Less than one quarter (22 per cent) of authorities have an allocated budget for direct and indirect remedy costs. Now that we have greater clarity over the requirements and scope of remedy with the introduction of the [Public Service Pensions and Judicial Offices Bill](#), it would be interesting to establish whether this position has changed.



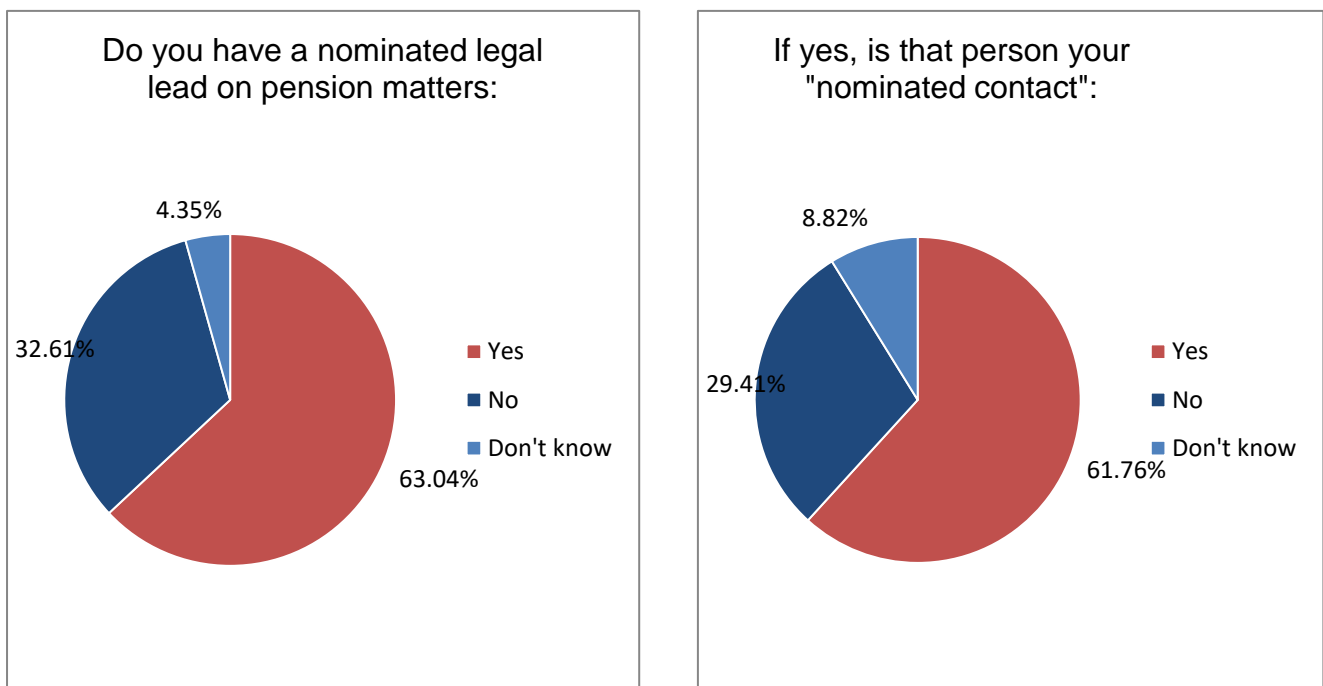
### 4.3.3 Legal processes

It is likely that FRAs will need legal support on a range of remedy processes such as immediate detriment, reviewing and processing remedy compensation payments, and complex cases (for example divorce, survivor benefits, contingent decisions). FRAs were asked two questions to help us understand whether this support is in place.

Sixty-three per cent have a nominated legal lead for pension matters and in 62 per cent of those cases, that person is the FRA’s “nominated contact” for the proceedings in Sargeant that are managed collectively by the LGA.

Unfortunately, no further data or commentary was requested, as it would have been beneficial to understand why the correlation here was not greater. There did not appear to be any pattern to size or type of FRA with a legal lead in place, and there was at least one instance where a negative response was given to the first question, and a positive response to the second.

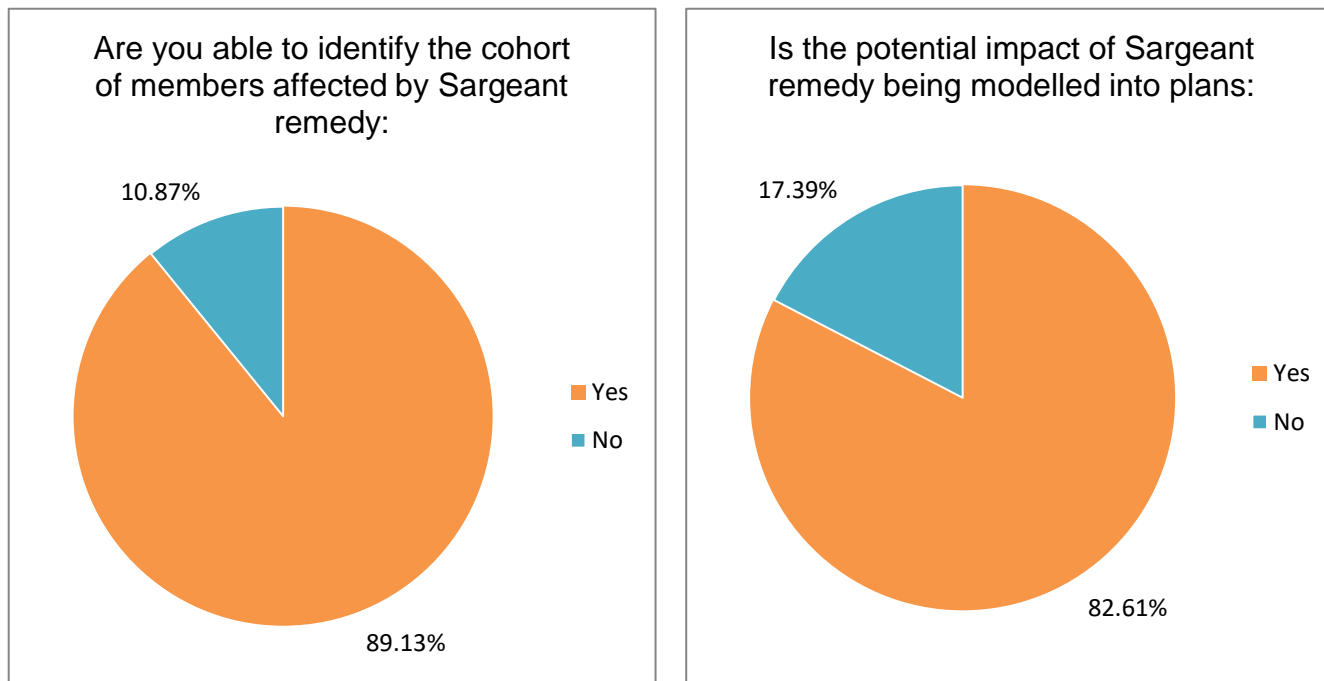
However, FRAs seem broadly to have the legal support that is needed in place.



### 4.3.4 Workforce planning

As members will have more flexibility over when they retire under remedy, workforce planning may be affected. FRAs were asked if they were prepared for this, firstly by establishing who leads on workforce planning and retention for each authority. While a wide range of free-text responses were received, in almost all instances, the post holder is a member of senior human resources staff or a uniformed equivalent, for example, Area Manager People & Organisational Development. The full list of responses is available at [Annex G](#). Names of specific individuals have been removed.

Eighty-nine per cent of FRAs confirmed that they are able to identify the cohort of members affected by age discrimination remedy and 83 per cent are modelling the potential impact into plans.



From the 35 FRAs who confirmed approximate numbers, the cohort varied from 15 to 4,000 members. There were some inconsistencies in the data provided. For example, one FRA separated out immediate detriment cases, and one only gave the year one figure. However, the variance illustrates the wide-ranging impact of remedy.

#### 4.4 Information, communication, and coordination

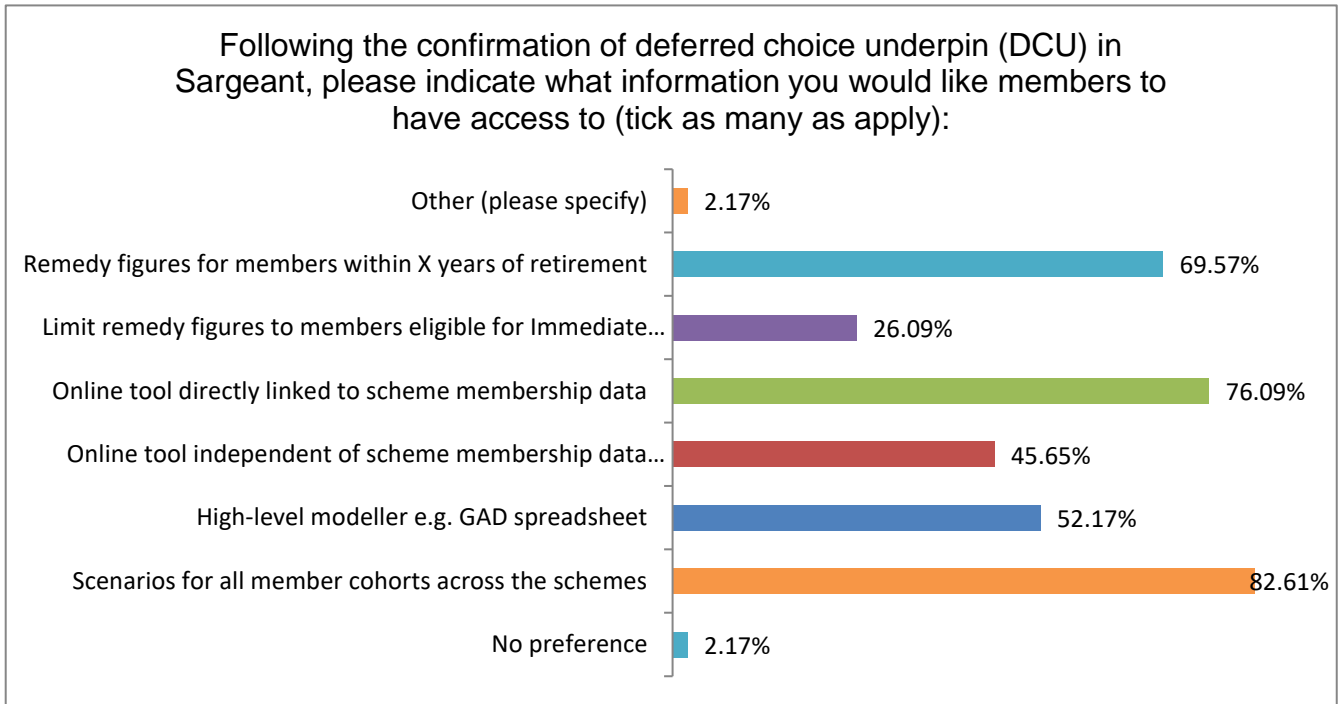
The questions in this section were intended to help us understand what types of communication FRAs would like to see and sought views on the co-ordination of age discrimination remedy across FRAs in England.

Questions were also asked about communications in the first special members options exercise in 2014-15, and how these could be improved.

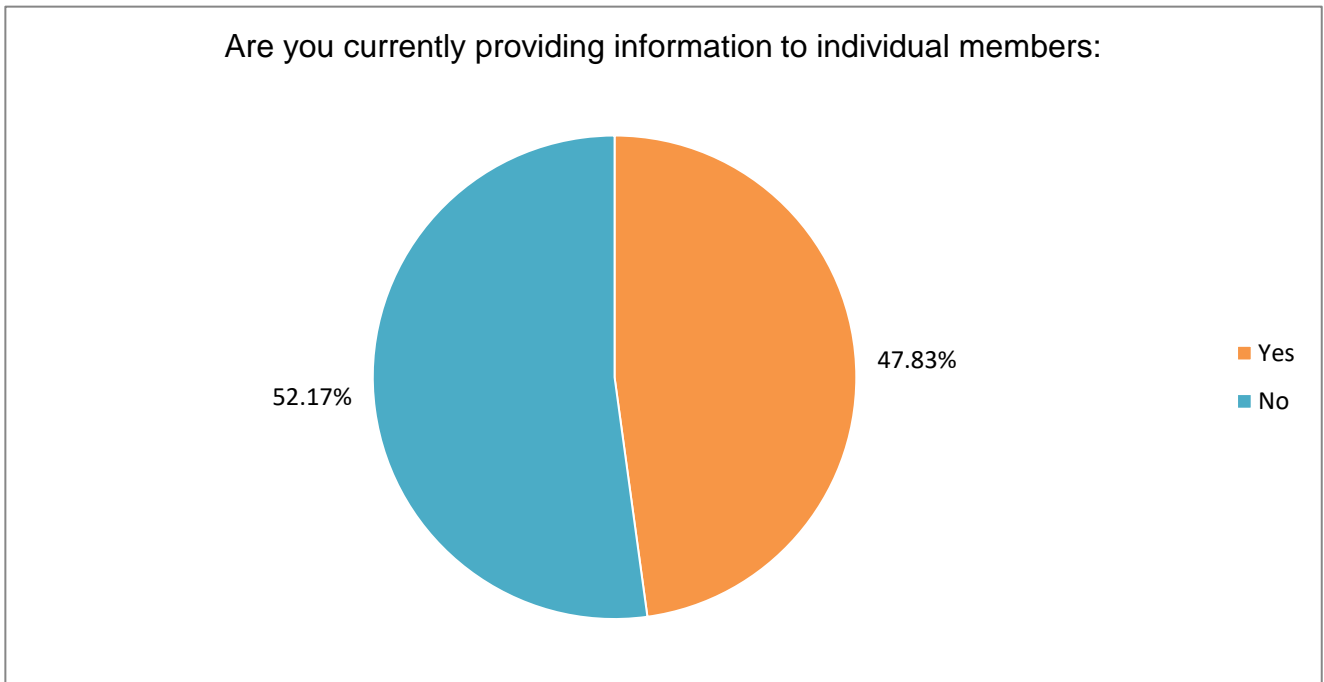
FRAs were invited to indicate from a list of options what information they would like members to have access to in order to understand the impact of remedy. The list was caveated to confirm that it was not a guarantee of delivery of any of the options but was intended to allow us to understand individual FRA preferences when considering budget and resources.

The most popular choices were scenarios for all member cohorts across schemes; an online tool directly linked to scheme membership data (therefore within the pension administration system); and remedy figures for members within a certain number of years of retirement (i.e., estimates of benefits through the pension administration system).

A high-level modeller or online tool which rely on member input were less popular. Under “other”, one FRA suggested that tax implications should be covered. The SAB will consider these preferences.



The percentage of FRAs providing information to individual members is finely balanced. Where information is being provided, this is primarily concerning immediate detriment or is generic information which has been circulated by the LGA or the government ([Annex H](#)).



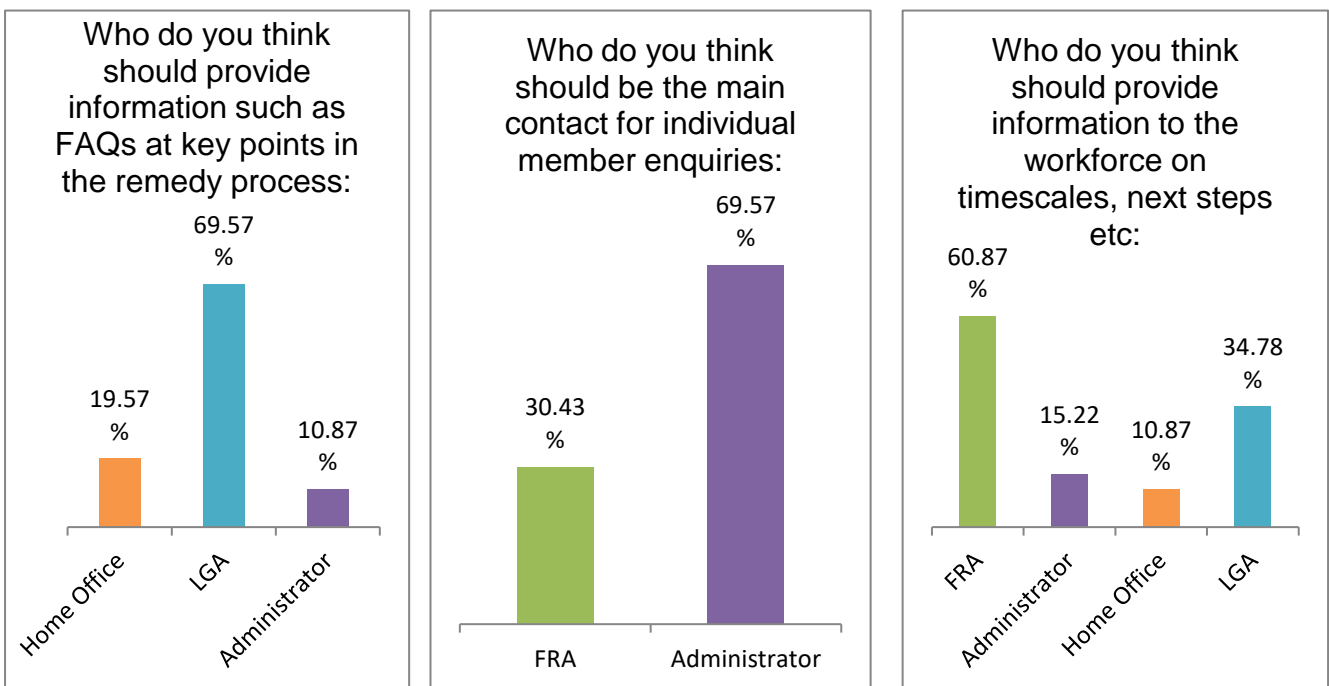


The next three questions asked FRAs for their opinion on who should provide information or deal with queries during the remedy process:

- Seventy per cent thought that the LGA should provide information such as FAQs at key points during the process.
- Seventy per cent thought that the administrator should be the main contact for individual member enquiries.
- Sixty-one per cent thought that the FRA should provide information to the workforce on timescales and next steps, and 35 per cent thought that the LGA should do this.

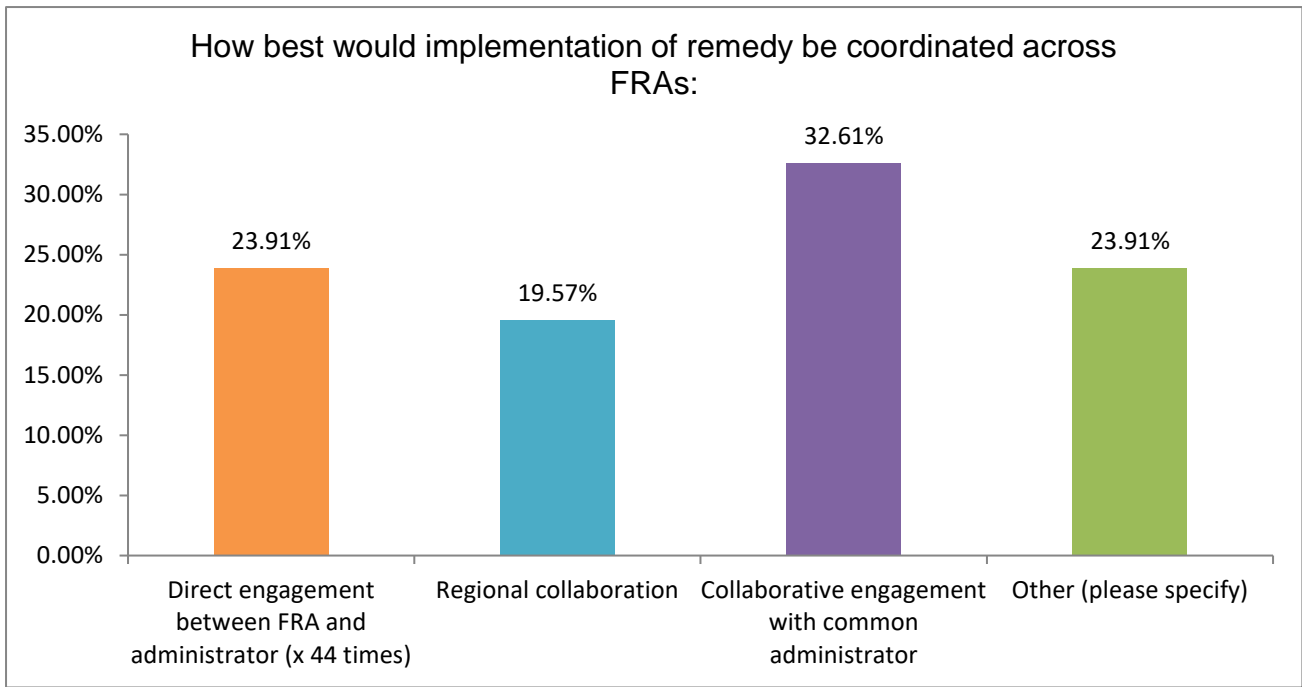
N.B. Percentages add up to more than one hundred, as FRAs could select more than one option.

These outcomes are broadly in line with our expectations and preferences. In terms of providing information to the firefighter workforce, we would anticipate providing this information to FRAs to pass on to their members.



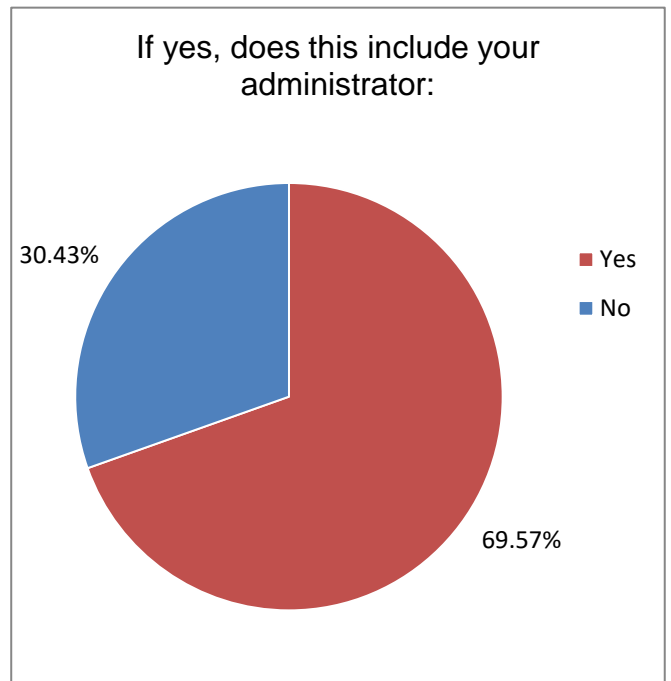
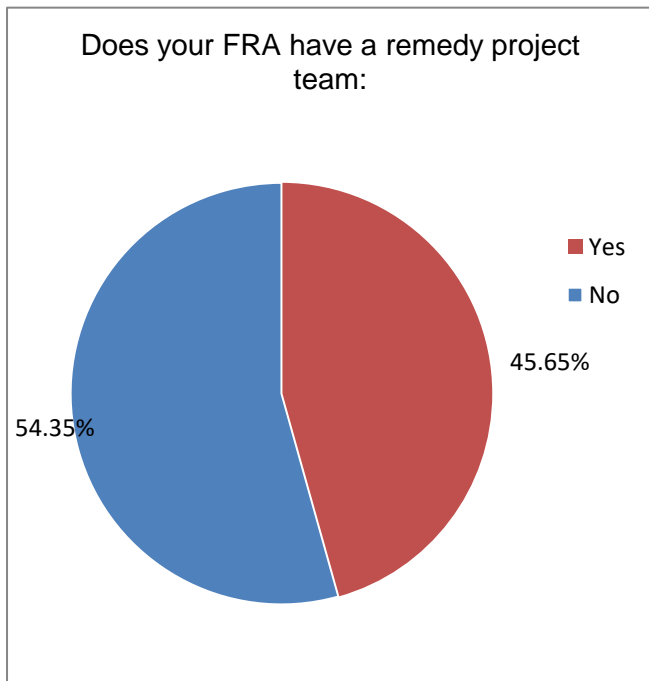
Views on how best remedy would be coordinated across FRAs were mixed. Collaborative engagement with a shared administrator was the slightly preferred option at 33 per cent. However, not all FRAs have a shared administrator and may therefore have selected direct engagement.

Under the “other” response, several FRAs suggested national collaboration or regionally in line with a national framework.



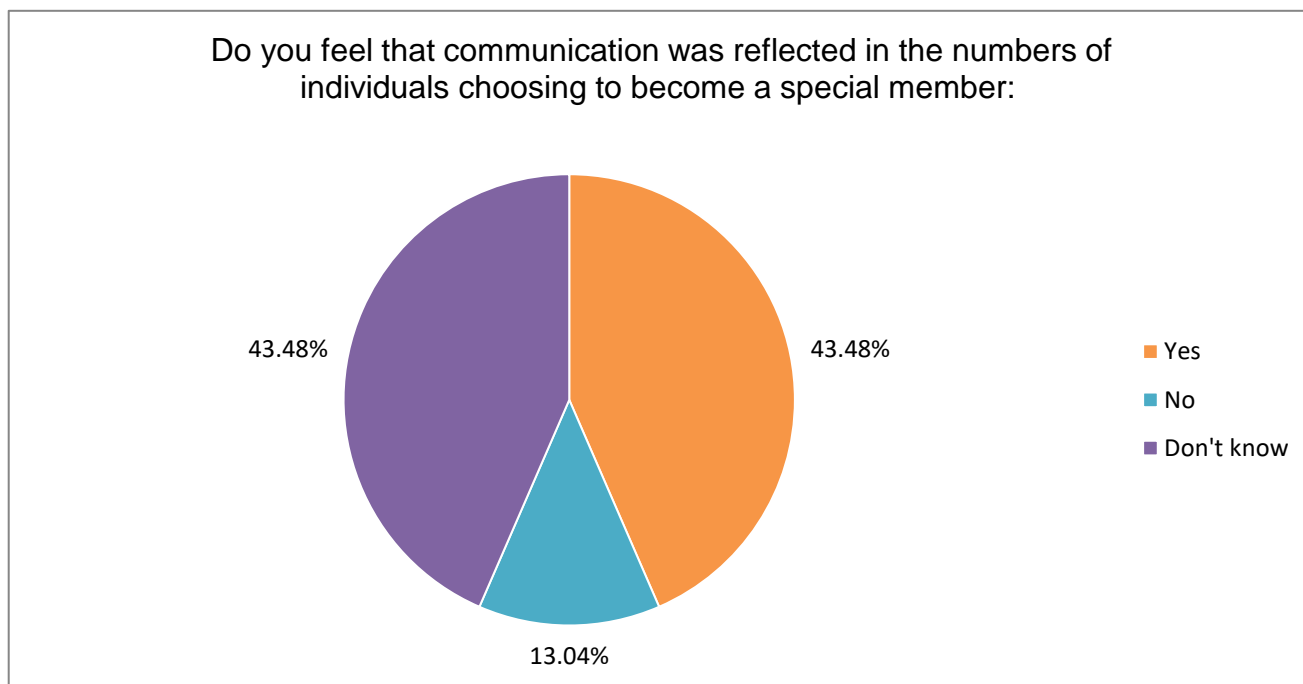
We asked FRAs to confirm whether they have a remedy project team, to facilitate effective implementation, and if so, whether this includes their third-party administrator. Responses to the first question were again fairly balanced, and in a majority of cases the administrator is included.

Comments were invited where the answer to the second question was “no”. Many of these stated that the administrator has a project team, and that the FRA is involved in those groups, rather than the other way around.



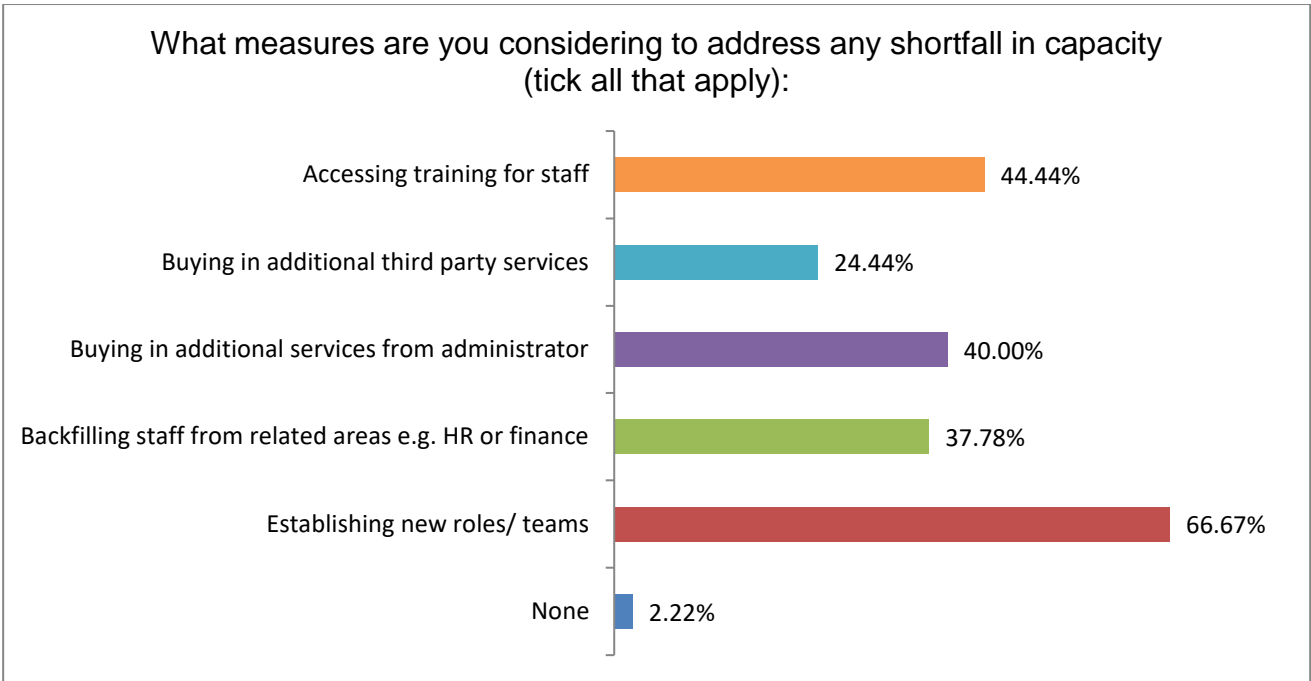
Moving on to consider Matthews and the first special members options exercise, FRAs were asked to indicate on a scale of one to ten (with one being the lowest), how well they felt this was communicated in 2014-15. The weighted average response was 5.93.

We were interested to understand whether the level of communication was reflected in the number of individuals choosing to become a special member, as the take up rate was relatively low. The results were inconclusive: 43 per cent agreed, but the same number were unsure; only 13 per cent responded negatively. The question was speculative, and it should also be considered that questionnaires were also submitted in respect of Wales where the deadlines were later.



FRAs were asked to detail any suggestions for improving communications for second options exercise. A wide range of helpful proposals were submitted, and a list of the verbatim responses is available at [Annex I](#). The generated word cloud below illustrates some of the key areas of importance to FRAs.

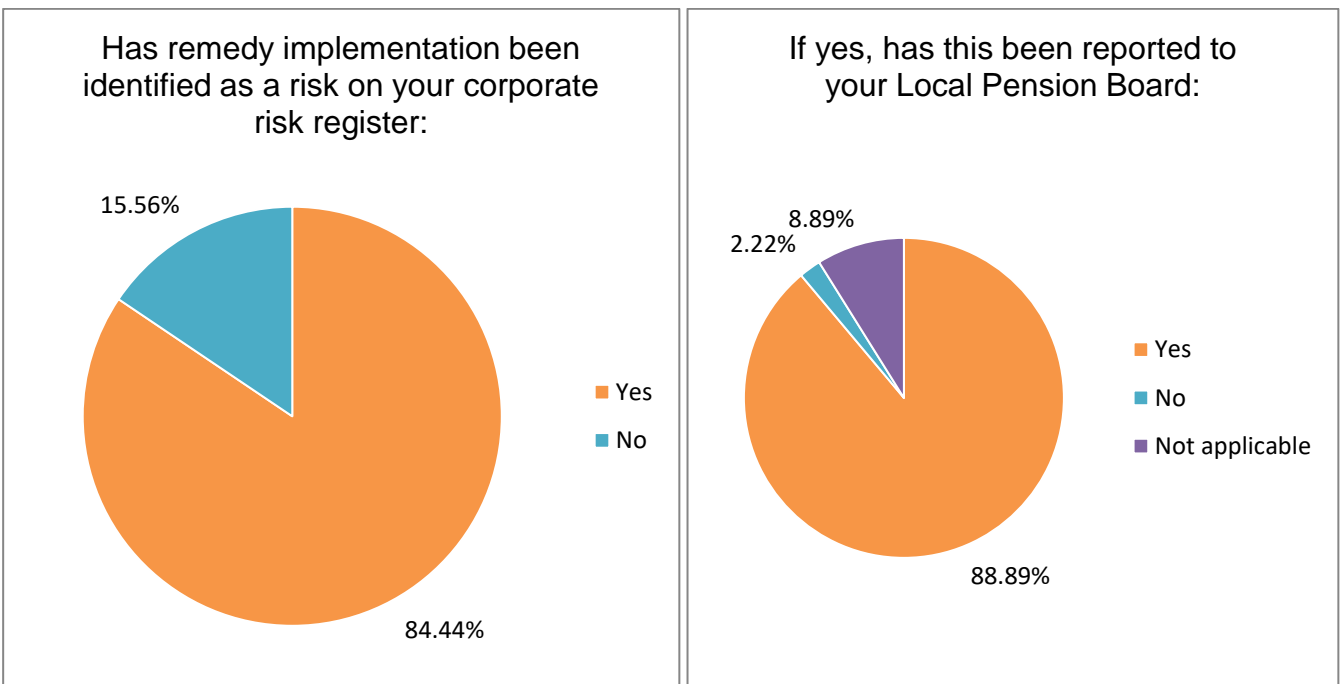




Eighty-four per cent of authorities have identified remedy implementation as a risk on their corporate risk register and in the majority of cases this has been reported to the FRA’s Local Pension Board (LPB).

The figures are slightly skewed as three FRAs answered “no” to the first question, but “yes” to the second. This is an equally valid response; however, the follow-up question was designed to be answered where the first response was positive, hence the “not applicable” option. Only one FRA has identified the risk but not reported it to the LPB.

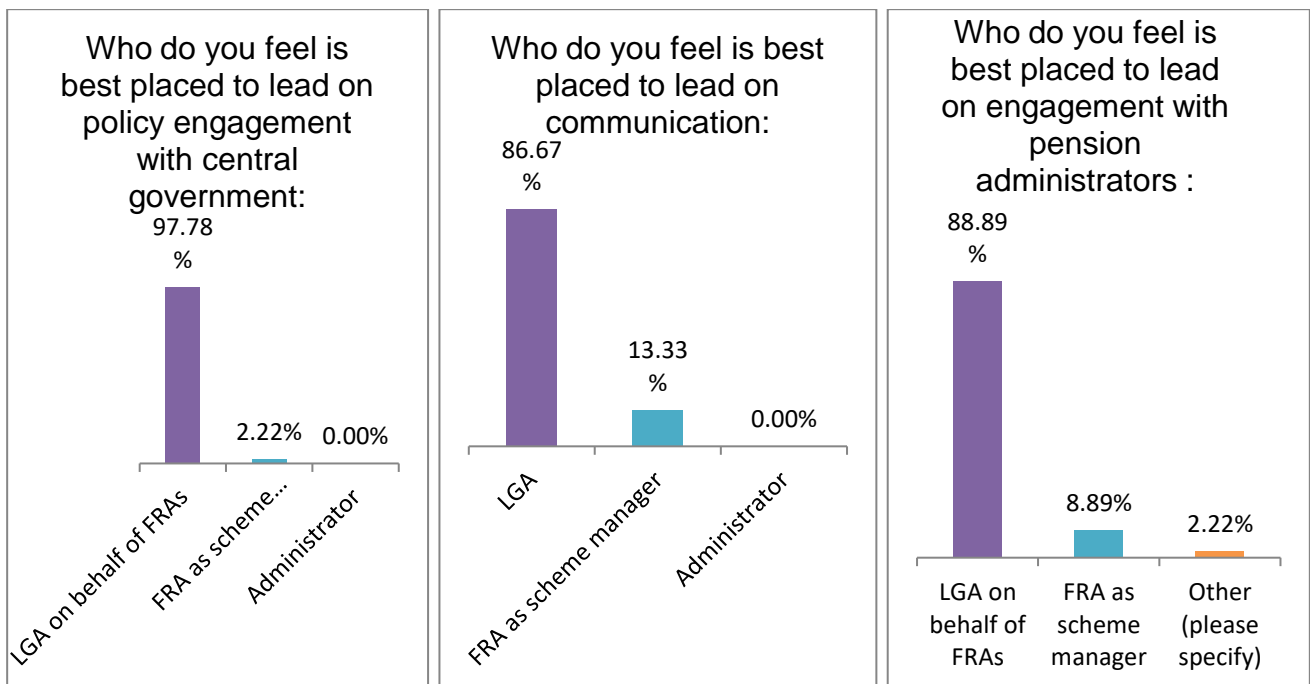
It would have been useful to ask an additional follow-up question to establish why remedy implementation is not considered a corporate risk, where a negative response was given.



A series of three questions was then posed around which organisation or body would be best placed to lead on certain aspects of remedy:

- Ninety-eight per cent of respondents felt that the LGA are best placed to lead on policy engagement with central government on the legislation needed to bring in age discrimination remedy. One FRA noted the LGA should act in association with the SAB.
- Eighty-seven per cent stated that the LGA is best placed to lead on direct service wide communication or provision of content for communication. Thirteen per cent thought this should be carried out by the FRA as scheme manager. Two additional comments suggested that this could be collaboratively undertaken.
- Eighty-nine per cent felt that the LGA is best placed to lead on engagement with pension administrators on implementation, with 9 per cent selecting the FRA as scheme manager. One authority noted that this should be an iterative process with the LGA informing the scheme manager who would then work with their administrator.

The responses to these questions give the LGA the necessary endorsement to lead on remedy related issues on behalf of FRAs and provide assurance that this is the sector’s preferred approach.



The final question asked FRAs to rate how useful the survey had been to identify gaps in planning for Sargeant and Matthews, on a scale of one to ten (one being the lowest). The weighted average response was 5.98.

This is perhaps lower than anticipated, however, it could be viewed positively in that FRAs feel that they were already well prepared at the time of completing the survey. The survey outcomes will probably prove more useful, as they will provide a benchmark and allow the LGA and SAB to identify any gaps and how these might be addressed.

Eleven authorities provided additional comments, these are listed below for completeness:

Any final comments:
Undoubtedly resolving both of these issues is going to be challenging in terms of obtaining relevant data and the availability of capacity and knowledge. We would support a centralised / co-ordinated approach that draws on the knowledge and capacity within the LGA and administrators such as West Yorkshire Pension Fund (WYPF).
Progress can only be made when clarity over remedy is known and ideally a cost framework in respect of the additional processing and calculation has been agreed nationally in respect of the pension providers.
some questions do not allow for a split answer between the cases (Q26).
The survey @ Q53 cannot be answered accurately, as we have a reasonably high level of knowledge but very limited capacity to complete the additional work.
Our HR records are held for the lifetime of someone's employment. They are held for 7 years after someone leaves.
Very useful survey, think having these more frequent keeps the main factors and workloads in everyone minds, also to identify areas which you hadn't thought of and no need to look into further.
Confirmed we are aware of, and are planning for the difficulties that lie ahead.
This remains a new piece of work and some of the questions seem to alternate between 2015 and Matthews Case, useful to review our position with the survey. Thanks
Would be interested to know when the analysis of the survey will be shared and how this will inform next steps. Timelines for planning are essential. Communication void needs to be filled although absolutely appreciate the difficulties with this
Funding remains a concern for FRAs. Clarity is needed from Government about where the additional monies will come from i.e. top up grant.
the process is going to be an extremely complex one and the Matthews case is going to a challenge due to the timescales involved, it would be advantageous if as much detail around the process could be developed centrally so that services aren't in the position of having to develop the process in addition to the identification the required information and detail
Our biggest issue is that all the payroll work prior to 01/04/2021 has to be done manually due to the Combined Fire Authority coming into effect. Extracting data from our payroll system and into the format required for the data collection template is going to take some careful thought and planning, Overall, we feel like we are in a good position at this time.

## 5. Recommendations

The SAB would like to thank all FRAs for their participation in the survey, and for continuing to support the work of the Board.

Overall, the survey has painted a positive picture of the sector's preparedness for remedy in Sargeant and Matthews. The weighted average response for usefulness of the survey in identifying gaps was around six. This suggests that FRAs feel, on balance, relatively prepared.

However, the SAB has expressed concern over some individual responses and will seek a fuller understanding of these submissions in due course. FRAs are reminded that the implementation of remedy is a legislative requirement.

The survey results will allow authorities to benchmark their existing plans and the following section provides recommendations and assurances on actions to address areas of concern.

As the responses to some questions are likely to change as further policy direction and legislation become available, the SAB recommend that an abbreviated version of the survey is carried out at intervals as a temperature check.

## 5.1 Current arrangements

Sixty per cent of FRAs are covered by two administration providers. Since the survey was launched, the number of administrators offering FPS services has reduced from 16 to 15, with another withdrawing from the market from April 2022.

There is no clear appetite for administration to be centralised and this would not solve the complexity of 44 separate decision makers for the schemes. Authorities seem to be happy with the status quo, or to allow natural attrition until there are a small number of multi-FRA administrators.

The recommendation in this case is to improve routes to administration procurement for FRAs by development of a procurement framework, as exists for the Local Government Pension Scheme. This would allow FRAs to avoid long and complicated procurement processes and will allow greater choice of preferred providers.

## 5.2 Data

Good progress has been made on identifying data requirements for age discrimination remedy (Sargeant) and this will be further supported by provision of the software data extract and a planned data workshop for administrators. Further clarity on the second FPS 2006 special members options exercise (Matthews) will allow FRAs to progress data considerations and a good framework is in place from the first exercise.

As collection of pay and service data will be particularly complex for Matthews, a recommendation is made for the FPS technical group to establish a set of principles and best practice for cases where data cannot be obtained.

FRAs rightly identified that different processes will need to be put in place for different member cohorts for contribution corrections and the associated tax relief and interest adjustments, and it is evident that clear guidance will be needed. The LGA recommends close monitoring of policy information from central government and provision of accompanying guidance developed by the FPS technical group.



### 5.3 Processes and impact

Further clarity is required on the policy intent for pensions tax adjustments. As these will primarily be undertaken by scheme administrators, further engagement with administrators will be arranged once the Finance Bill is enacted in April 2022 and requirements are clearer. This should include software suppliers to determine the level of automation that will be possible.

The amendment to legislation to extend the deadlines for Mandatory Scheme Pays is welcomed.

Less than a quarter of FRAs have an allocated budget for direct and indirect remedy costs. The LGA will ensure that robust representations are made to the government for adequate funding to alleviate the financial burden of Sargeant and Matthews. The LGA will work closely with the chair of the Fire Finance Network to monitor remedy costs, particularly in relation to software and administration.

While FRAs broadly seem to have appropriate legal support in place, we know from experience that without prejudice information provided to nominated legal contacts is not always communicated to relevant colleagues within the organisation to allow timely decision making. The LGA Bluelight team will liaise internally with Workforce colleagues to determine whether any improvements can be put in place.

It is encouraging to note that the potential impact of Sargeant is being modelled into workforce planning. A recommendation arising from this is to ensure that individual members receive timely and comprehensive information on remedy for them to make informed choices as to when they wish to retire; for example, a common misconception is that protected members will lose their final salary entitlements if they continue in service past 1 April 2022. Information on remedy will also be added to [www.fpsmember.org](http://www.fpsmember.org) by the end of October 2021. The Fire Communications Working Group (FCWG) will lead on this work.

### 5.4 Information, communication, and coordination

Following the indication of preferences for remedy tools, a recommendation is made to start immediate procurement for scenarios for all member cohorts across schemes. The SAB will seek to encourage software suppliers to improve the online member self-service offer and encourage administrators to make this available to FRAs. To avoid duplication of time and monetary resource, it is recommended that a high-level modeller or other online tool independent of membership data is not pursued.

Coordination of remedy should be a collaborative approach between the FRA and their administrator, with national oversight by the LGA. Multi-FRA administrators commonly have client group meetings which can be used for this purpose; centrally the LGA will use the FPS technical group and FCWG to feed into the existing regional fire pension office groups. Each party has a distinct role to play, and each is dependent on the other. Close working relationships will be key, and the SAB recommends that all FRAs and administrators have a remedy project team with a named lead, to ensure effective implementation of both Sargeant and Matthews.

FRA's made a large number of helpful suggestions to improve communications for the second options exercise in Matthews and these will be considered in detail by the FCWG.

## 5.5 Knowledge, capacity, and capability

On average, FRAs rated internal pension knowledge and capacity at 5.67. Common measures to address shortfall were additional recruitment and accessing training. The LGA has committed in the age discrimination remedy Project Implement Document to consider training needs and how these can best be met. This will be taken forward as an action from the survey. Implementing remedy will provide an excellent opportunity for upskilling and developing knowledge, as well as promoting engagement with pensions.

Risk appears to have been reflected at an appropriate level and governance training will be provided to LPBs allow them to successfully scrutinise and monitor local delivery of remedy.

The sector has provided the necessary assurance on preferred approach for the LGA to lead on policy engagement, communications, and engagement with administrators. The LGA and SAB thank FRAs for their endorsement and continued support.

## Annex A: FRAs in England and Wales

Avon Fire and Rescue Service	Leicestershire Fire and Rescue Service
Bedfordshire & Luton Fire and Rescue Service	Lincolnshire Fire and Rescue Service
Buckinghamshire & Milton Keynes Fire & Rescue Service	London Fire Brigade
Cambridgeshire Fire and Rescue Service	Merseyside Fire and Rescue Service
Cheshire Fire and Rescue Service	Mid and West Wales Fire and Rescue Service
Cleveland Fire Brigade	Norfolk Fire and Rescue Service
Cornwall Fire and Rescue Service	Northamptonshire Fire and Rescue Service
Cumbria Fire and Rescue Service	Northumberland Fire and Rescue Service
Derbyshire Fire and Rescue Service	North Wales Fire and Rescue Service
Devon & Somerset Fire and Rescue Service	North Yorkshire Fire and Rescue Service
Dorset & Wiltshire Fire and Rescue Service	Nottinghamshire Fire and Rescue Service
Durham & Darlington Fire & Rescue Service	Oxfordshire Fire and Rescue Service
East Sussex Fire and Rescue Service	Royal Berkshire Fire and Rescue Service
Essex County Fire and Rescue Service	Shropshire Fire and Rescue Service
Gloucestershire Fire and Rescue Service	South Wales Fire and Rescue Service
Greater Manchester Fire and Rescue Service	South Yorkshire Fire and Rescue Service
Hampshire & IOW Fire and Rescue Service	Staffordshire Fire and Rescue Service
Hereford & Worcester Fire and Rescue Service	Suffolk Fire and Rescue Service
Hertfordshire Fire and Rescue Service	Surrey Fire and Rescue Service
Humberside Fire Brigade	Tyne & Wear Fire and Rescue Service
Isle of Scilly Fire Brigade	Warwickshire Fire and Rescue Service
Kent Fire Brigade	West Midlands Fire Service
Lancashire Fire and Rescue Service	West Sussex Fire and Rescue Service
	West Yorkshire Fire and Rescue Service

## Annex B: What position within your FRA oversees delivery of pension administration:

Accountant People Services	Head of HR/ Head of Finance
Assistant Chief Fire Officer	Head of Human Resources
Assistant Chief Fire Officer Corporate Services	Head of People Services - Joint Police/Fire team
Assistant Director of Finance	Head of Resource Management, Payroll & Pension Groups
Assistant Director, HR & Learning	HR Rewards & Benefits Manager
Chief Executive of the Fire and Rescue Service	HR Services Manager in County Council
Chief Finance Officer	No official post, jointly via Finance & Compliance Manager and Scheme Manager, HR
Chief Fire Officer	Payroll & Pensions Manager
DCFO as Scheme Manager although day to day is carried out by Director of Finance & Procurement	Payroll & Pensions Manager
Deputy Chief Fire Officer	Payroll and Pension Manager
Deputy Chief Fire Officer	Payrolls and Pensions Manager
Deputy Section 151 Officer	Pension Fund Committee
Director of Corporate Services	Pension Manager
Director of Finance and Assets	Pension Officer
Director of Finance, Assets & Resources	Pensions / Payroll & HR Intelligence Manager
Director of People and Development	Pensions Manager
finance	Pensions Manager
Finance Manager	Pensions Officer
Finance Officer	Pensions Remedy Advisor (new post currently vacant)
Head of Data, Digital and Specialist Projects	Principal Pensions Consultant
Head of Finance	Procurement Manager with lead responsibility for pension administration
Head of Finance - Pensions, Treasury & VAT	Scheme Manager
Head of HR	Senior Manager - People Management
Head of HR and Learning and Development and Head of Finance and Procurement	

## Annex C: Who line manages that post-holder:

Area Manager Business Support	Deputy Chief Fire Officer
Assistant Chief Fire Officer	Deputy Chief Fire Officer
Assistant Chief Officer	Director of Corporate Services
Assistant Director - Finance	Director of People Services
Assistant Director - People Services	Director, Finance and Corporate Services
Assistant Director - Workforce	Financial Services Manager
Assistant Director - Workforce Operations	Financial Services Manager
CFO line manages the Finance & Compliance Manager	Fire Authority (via normal Director /CFO structure)
CFO/CE	Head of Employment Policy and Practise
Chief Executive	Head of Finance
Chief Executive (Head of Paid Service)	Head of Financial Services
Chief Fire Officer	Head of HR
Chief Fire Officer	Head of HR in County Council
Chief Fire Officer	Head of HR/ACO People Services
Chief Fire Officer	Head of Human Resources
Chief Fire Officer	LGPS Pension Fund Investment Manager but I reports into
Chief Fire Officer	Chief Fire Officer for Fire
Chief Fire Officer	N/A
Chief Fire Officer	NA
Chief Fire Officer	Payroll and Pensions Manager
Chief Fire Officer as Scheme Manager	Section 151 Officer
chief officer	Senior Head of People/ Assistant Chief Fire Officer
Corporate HR Manager	Strategic Enabler for Finance and Resources
County Council member	Treasurer

## Annex D: What position within your FRA will lead on remedy data for both cases:

Accountant (People Services)  
 ACFO  
 Area Manager Business Support  
 Assistant Chief Fire Officer  
 Chief Finance Officer  
 Deputy Chief Fire Officer  
 Deputy S151 Officer for Sargeant, it is unclear at this stage who will lead for Matthews  
 Director of Corporate Services with support from Pensions Advisor and HR Manager  
 Director of Finance & Procurement  
 Finance Officer  
 Head of Finance  
 Head of HR  
 Head of HR  
 Head of HR  
 Head of People Services  
 Head of Resource Management, Payroll & Pension Groups  
 HR Business Partner  
 HR Business Partner  
 HR Manager, Strategy & Reward  
 HR Rewards & Benefits Manager  
 HR team via Head of HR and Learning and Development  
 Human Resources  
 Human Resources Business Partner  
 In process of recruiting pensions officer  
 Lead not yet identified  
 None as the administration and remedies will be with XPS  
 Payroll & Pensions Manager

Payroll & Pensions Manager  
 Payroll and Pensions Manager  
 Payroll and Pensions Manager  
 Payroll Manager  
 Pension Manager  
 Pension Officer  
 Pension Remedy Manager  
 Pensions / Payroll & HR Intelligence Manager  
 Pensions Admin Delivery Lead  
 Pensions Manager  
 Pensions Manager  
 Pensions Officer  
 Pensions Officer (once position recruited to)  
 Pensions Remedy Advisor (currently vacant)  
 Pensions Services and Fire and Rescue Management Team  
 Principal Pensions Consultant  
 Procurement Manager with Lead responsibilities for Pensions  
 Scheme Manager -delegated to officers  
 Senior Advisor - Pensions

## Annex E: Please detail any problems you can foresee obtaining pay data for the following: Sargeant

Changed payroll area for PAYE. Members effectively have a record from 2007 to 2015 and then new records from 2017 onwards. complexity and volume of data analysis required.

Coordinating data from numerous sources and systems

Creating alternative Schedules of Contributions - CARE vs FS.

Data held on current and legacy payroll systems

Data should be available

Data will need to be extracted from a combination of HR and payroll systems although complex will be achievable

Few issues anticipated

Had new pay system in 2015 which resulted in pay errors until 2018. These were corrected outside of the system identifying temp promotions and differences in pensionable pay between schemes

N/A - All data accessible via Kirklees SAP

No issues

No issues all pay data held on record

No issues foreseen

No problems

no problems foreseen

none but it will be time consuming

none other than time to resource

Payroll data in different systems. Difficult to extract.

Payroll System has been archived. Extremely time consuming to recreate data per member

Prior to 1996 information could be problematic as prior to this this was held with Cleveland County Council who are no longer in existence

Some data in legacy system

Time, accuracy of pulling information from various sources together, rely on payroll provider for assistance may create time pressures

We are implementing new payroll system, so unclear yet as to how to access this data

We believe we can retrieve the data needed back to 2015

We do not envisage problems  
We have some records from 2000 onwards which may be incomplete  
We hold the data in payroll, so there should be minimal impact other than resource  
Working Group Established to secure data



## Annex E continued: Please detail any problems you can foresee obtaining pay data for the following: Matthews

Accessing data from legacy systems, old servers

Accessing records back to 1970 not feasible. May be difficulties in identifying and verifying all eligible members.

as above plus pay information for on-call maybe more difficult to analyse, retention schedule may mean employment records more difficult to work through, locating leavers and communications with members/leavers

Breakdown of pay and who is in scope, few historical records

Challenging and complex - not all records held

data and records not available prior 1/4/2013

Data held on current and legacy payroll systems. Additionally we do not hold salary information prior to 2000

Data may only be available on hard copy files, which may be incomplete

Depending on the scope we would have major issues with the data pre-2011

do not have pay data going back that far

Extract will be more complex due to payroll and HR System changes, full information may not be available

Insufficient historical data

lack of pay records prior to 1995

Lack of payroll data pre-2015

Likely to be some retrieval issues as data only easily available as of 1995

Limited information held digitally prior to 2002

No info prior to the year 2000

Only complete data going back 10 years although incomplete going back to 2007/08

Only current employee records go back to 2006, leavers only to 2015

Only have pay data back to 1999

Our data does not go back far enough, so will be reliant upon guidance as to how to proceed

pay and employment records not being available

Pay data held only goes back to 2005

Pay data may not be available prior to 2000

Pay data would need to be obtained from ledger records

Potentially not being able to obtain legacy data prior to 1999 to support calculations based on actual pay.

Pre 1997 no records held

pre2004 may not be available or very resource intensive to gather as held on microfiche

Prior to 1996 information could be problematic as prior to this this was held with Cleveland County Council who are no longer in existence

Records do not exist, or are patchy, going that far back

Records held by BFRS do not go back far enough. We will be reliant on data held by our pension administrators. Change to payroll provider/pensions administrator over the reference period may highlight gaps in data or accuracy of records

Some records from 1999 some records incomplete, both due to rules governing historical data and are being removed/destroyed (now on hold)

Suspect Payroll data will not be available

Timeframe dependent

Unsure if data will be available due to extended time period.

We are implementing new payroll system, so unclear yet as to how to access this data

We do not have sufficient pay data or employment history for staff who transferred to DSFRS as part of combination with Somerset

We have microfiche records for payroll in the 1990's may struggle with pre 1990 data

will be difficult as no data

Yes - payroll and employment data

Yes as actual pay data prior to 2000 is not available

## Annex F: Please detail any issues you think might occur with adjustments of contributions:

18-20 contribution holiday entitlements.

Adjustments for CPD in the 2015 as not pensionable.

Affordability for individual, creation of repayment plans adding to administrative burden over time, getting monies from individuals, pressure to make payments quickly, disputes, tax issues

APB temp promotions

Beneficiaries who have died impact re widows

Calculation of Pay that could now be pensionable

change is payroll system within period means that EYU cannot be completed online and correspondence with HMRC becomes more time consuming.

Changes to members personal circumstances eg divorce, widowed etc complexity

Complexity and accuracy of contributions. Taxation queries from leavers and unauthorised payment queries. Annual allowance queries.

Consideration for temporary promotions in the 2015 scheme which are not currently pensionable.

Converting membership

data collection

Delays in settling cases.

Differences between 1992, 2006/2006 Modified and 2015 FPS mean data gathering is complex and prone to error

Different allowances are pensionable in CARE scheme and not in final salary so will need to be manually calculated

Different percentage rates for different years.

Due to volumes and our payroll system being quite manual there may be a risk of incorrect calculations being made due to the amount of manual intervention that may need to be applied. Although, we do need to know about the detail regarding the calculations before seeing how much of a risk this will be

Ensuring calculations are correct, communication with members, members unhappy with having to make additional contributions and ensuring that interest is applied correctly if applicable.

Hardship cases - guidance needed on how to apply a consistent approach.

Having the capacity to apply and calculate, dealing with under/over payments, reconciling correct for pension returns, timeline of repayments and potential debtors for financial accounts.

Identifying breakdown of contributions made. Assumptions still required regarding interest rates that need to be applied.

If members not satisfied by IDRPs determinations, TPR and TPO may become involved, again leading to FRA resources being overwhelmed

If Remedy includes a calculator from GAD, which is complex, there's a risk of misinterpreting what's required, keying errors

If taken through Payroll the member will only get the tax relief on the code in operation at the time. Need guidance on how to manage adjustment for the entire remedy period. This is very complex and FRAs will need focussed support and guidance from HMRC. Cannot be left to FRA to sort out.

Incomplete Payroll/HR records – Scheme Manager is unaware of the nature of any issues until the detailed work is under way  
Issues around the correct tax treatment. Refunds not paying tax outside 4 years. System will automatically seek to recover tax  
lack of working model eg a calculator showing amount which should have been paid which would allow the working out of the difference to what has actually been paid

Legal challenges and disputes from Rep Bodies.

Manual calculations required - prone to errors

Members likely to query data, IDRPs process may be used by many members (rather than less than one per annum on average, as currently) leading to FRA resources being overwhelmed

Members will be required to opt for legacy benefits, with the default being to stay in the 2015 Scheme for non-responders: how will the FRA evidence that it has made reasonable efforts to contact a member?

need further information on the collection methods, Collection via PAYE for existing employees shouldn't be an issue but from those employees that have left will be more complex especially with regard to the taxation issues, as per the special members exercise previously undertaken

No contribution overpayments for 2016 Claimants

No issues if guidance is adequate

Other than resource, if there is clear guidance on how this should take place then I don't see any issues.

Payroll systems changes and Payroll/HR/FRS personnel changes over the last 7 years leading to judgments being required to gather the data

Reliance on a small number of key staff (within FRA and Administrator), with significant key man risk

Resources

Resourcing issue – need more discussions with Pensions administrator to see how this will work.

risk of error

Some active members may not be able to pay backdated contributions through payroll which means they may have to wait for the government process to be put in place to claim compensation for tax relief.

Split pension issue

Support will be required to calculate historical cases.

tax implications

tax issues for non-active members, claiming back tax or being taxed for receiving unauthorised payments for contribution holidays.

Tax relief for past years, sufficient pay if we choose to deduct from final pay, annual allowance are we going to recalculate year on year, Schemes pays and timing of this

Tax relief for retired members, payment of contributions in advance of legacy pension payments?

Tax relief, contributions holidays, CETVs, scheme pays, annual allowances, added years contributions.

Tax relief, refunds or additional payments. Payment holiday.

The Combined FRA came into effect 01/04/2021, any adjustment / calculation needed prior to this for contributions will have to be done manually

This will be dependant on guidance and tools provided from LGA

Time consuming for small teams making calculation times lengthy.

Time consuming to gather the payroll data, communicate with members, trace members where necessary, agree repayment terms, chase and track payments, liaise with administrator to ensure a member's pension is increased only after contributions due from him/her have been recovered

unknown until we know more about it

Unsure yet until receive further guidance

updating systems

wait to be advised as many issues known!

What could be a significant cost of administering implementation of Sargeant Remedy will be borne by the FRA

Whole process, from data gathering to collecting all contributions due will span years, rather than months, and any delays will have knock-on effects

will need to have separate process for leavers and will need further guidance from government before agreeing final processes

With regard to Question 26 we do not envisage being able to accurately obtain/backdate contribution data for Matthews

## Annex G: Who leads on workforce planning and retention for your FRA:

Accountant (People Services)	HR
ACFO	HR and Employment Team
ACFO Service Delivery Support	HR and Resourcing and Development (through Head of HR and Learning and Development)
ACO Organisation Development	HR Business Partner
Area Manager People & Organisational Development	HR Workforce Planning Manager
Assistant Chief Executive, People, Values and Culture	Human Resources
Assistant Chief Fire Officer	Human Resources
Assistant Chief Fire Officer Strategy, Planning and Resources	Human Resources
Assistant Director - People Services	Human Resources
Chief Employment Service Officer	Human Resources
Corporate Management Team through an bi-monthly meeting	Human Resources
DCFO	Human Resources/ Organisational Development
Dedicated Group Manager & HR Business Partner	People Management
Deputy Chief Fire Officer	People Organisational Development (HR)
Director of People and Development	People Services Department
Fire & Rescue Service	Resourcing Manager (HR Department)
Fire HR Business Partner	Shared Services HR
Head of HR	Strategic Enabler People
Head of HR	Strategic People and OD Lead
Head of Organisational Development & Transformation	Talent & Resourcing Manager
Head of People and Organisational Development	Workforce Improvement Manager
Head of People and Organisational Development (HR)	
Head of Resource Management, Payroll and Pension Groups	

## Annex H: Are you currently providing information to individual members (detailed responses):

Communicating information provided by LGA or Welsh Government.

Communication sheets as required

Estimates up to 31 March 2022. Let's talk event held with employees.

For immediate detriment only

for members who meet the criteria for immediate detriment, benefits based on both options Legacy and mixed benefit.

For those under Immediate Detriment, at the point the retirement paperwork is sent, figures for remedy are included

General Queries; members seeking to retire early (rule of 75) by 31.03.2022 to avoid going into CARE. Explaining 1992 benefits will not be lost/frozen until 60.

However the information provided is general data and not specific to the individual.

ID cases only - in the order of retirement and on an individual basis as required

Immediate Detriment figures provided at the point of retirement. No estimates prior to that. Otherwise just general comms

Information has been provided to those who have requested and thinking of imminent retirement, but is heavily caveated as based on information available at the time and may be subject to change

LGA bulletins and regular staff updates (internal Comms)

Member briefings in place

Signposting.

To Immediate Detriment cases approaching retirement

We are communicating in line with LGA guidance and, having taken the decision to proceed with immediate detriment cases, around ID.

We are providing factsheets etc supplied from LGA but not individual quotes based on remedy or ID, we are adhering to current scheme rules at this point in time.

We have circulated LGA website and administrator website information. Are providing valuations for those due to retire as implementing immediate detriment.

Yes; we have just started to look to pay our first cases under Immediate Detriment.

## Annex I: Please detail any suggestions for improvement for communicating the second options exercise:

Better GAD calculator, consistent info from central resource.  
 Briefings throughout the county as only held employee briefings in one place to date.  
 Cannot answer these questions as nobody who dealt with the 2014/15 exercise is still in Service.  
 Clear and concise information that can be understood by all  
 Clear information about interest payable v paying off debt via lump sum  
 Clear information about tax implications of decisions to be made by members  
 Clear option packs with flowcharts and clarity for individuals on risk and actions required, ensure the tools used are tested and correct to limit workloads and prospect of difference versions being issued. Road test with rep bodies and administrators, clear steps for FRAs  
 Clear, timely and consistent guidance needed from the outset.  
 Ensure a suite of guidance documents/ resources is produced centrally for FRA's to use so that all individuals get the same information. Ensure the information can be clearly understood by interested parties.  
 Ensuring the communication is clear and a consistent message is being provided across all FRA's  
 FRAs to have the right people involved at the beginning - form a proper project group.  
 Have national consistent comms to issue. Scenario examples. Factsheets. Use the new Member website.  
 Improved information regarding impact and value for money  
 More appropriate time scales  
 more detail for FRAs on their responsibilities and actions required, it is better for FRAs to communicate with members and have control over this process by cascading standardised communications from LGA  
 More use of Social Media and possibly radio adverts to the community as a lot of contact details will be out of date  
 National advertising campaign  
 National Awareness Campaign. Simplification of message with worked examples. Confidence in that this is not a pensions scam.  
 Need more information at inception so that a considered approach to information flow can be taken from the outset, the previous exercise didn't have the systems and support in place that we now have and hopefully the full guidance will be available with all the associated documentation rather than services being left to find their way through what was needing to be done.  
 Online tool/ calculator for members to use



People are more aware of the impact now, better liaison between LGA, Pension Administrators, FRA and the Rep Bodies. Rep Bodies hold a slightly different view of potential outcomes which is causing conflict.  
 Presentations that FRAs can use when going out to stations or can view online  
 problem identifying the cohort with current addresses  
 Request FPS members to contact former colleagues and get in touch if they held a retained post in addition to main post  
 Request unions to circulate its membership  
 Second option should be limited to service pre 2000. Before undertaking a second exercise clarity is required on how the contribution entitlement will be assessed at the payroll data will not be available.  
 set guidelines for what is considered as best endeavours  
 Several requests via the weekly Routine Notice  
 simpler messaging, more templates and joint working  
 Standard set of documents across all FRAs to ensure consistent messaging.  
 Station presentations  
 streamline the process for potential take-ups, provide clear FAQ's, with easy to follow process maps, reduce jargon and provide as much support to FRA's to deliver it with success  
 template letters setting out options and disclaimers  
 Template letters written in a clear & understandable way, with FAQ's. Employers should have the opportunity to feed back on draft versions before they're finalised.  
 The last option exercise was centrally coordinated - so all FRA's had the option to use the same forms of communications for options/quotes etc  
 Timely and accurate comms  
 Understanding of interest if paying back over a fixed period  
 Value for money not communicated very well  
 Videos for members to access at anytime of day  
 Would like the LGA to provide words to ensure consistency of approach  
 Would need National standardised literature to send out.

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#13

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
**Started:** Thursday, May 20, 2021 3:22:42 PM  
**Last Modified:** Tuesday, June 15, 2021 3:02:03 PM  
**Time Spent:** Over a week  
**IP Address:** 195.225.189.243

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Page 1: Section 1: Current arrangements

**Q1** **Warwickshire Fire and Rescue Service**

Fire and Rescue Authority:

**Q2** **Warwickshire County Council**

Who is your pension administrator:

**Q3** **County council**

Is this arrangement:

**Q4**

Year current admin arrangement started:(Enter 4-digit year e.g. 2005 or don't know)

1960

**Q5**

Year current admin arrangement ends:(Enter 4-digit year e.g. 2005 or don't know)

2022

**Q6****Yes**

Do you plan to tender at the end of your current contract:

**Q7****OJEU full tender**

If yes to Q6, please indicate the method of procurement:

**Q8****3 - 4 "super" administrators**

Do you have a preference on future admin arrangements for the scheme:

**Q9**

What position within your FRA oversees delivery of pension administration:

Deputy Section 151 Officer

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**Q10**

Who line manages that post-holder:

Section 151 Officer

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Page 2: Section 2: Data - pay, service, and contributions

**Q11**

Have you started work to identify data requirements for Sargeant (age discrimination):

**Yes,**

If yes, what are your key requirements or actions:If no, can you tell us why::

identifying members in scope, identifying those who fit criteria for immediate detriment, providing request to payroll for service, breaks and contributions

---

**Q12**

Have you started work to identify data requirements for Matthews (special members). The linked factsheet gives more information about the second options exercise:

**No,**

If yes, what are your key requirements or actions:If no, can you tell us why::

we are currently focusing on the McCloud exercise and immediate detriment cases

---

**Q13**

Do you expect to need additional resource for implementation for either or both of these projects:

**Yes**

---

**Q14**

What position within your FRA will lead on remedy data for both cases:

Pensions Admin Delivery Lead

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**Q15**

Which department manages ill-health retirements (IHR) for your FRA:

HR

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**Q16**

The HMT consultation response indicates that IHR cases may need to be reassessed against the member's opposite scheme under Sargeant remedy. Will relevant teams be sufficiently resourced to revisit IHR cases:

**Yes**

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**Q17**

Do you have any planned resilience in place to deal with revisiting IHRs:

If yes, please give details::  
extra resources obtained through McCloud/Sargent project

Page 3: Section 2: Data - pay, service, and contributions

**Q18**

Is your payroll service:

**In-house**

**Q19**

Is your pension payroll service:

**In-house**

**Q20**

Have you changed payroll provider or payroll system since 2015:

**Yes**

**Q21**

How many years do your payroll records go back:(Please answer in whole numbers)

15

**Q22**

Please detail any problems you can foresee obtaining pay data for the following:(N.B. Pay data for Sargeant will date back to 2015, pay data for Matthews could relate to as early as the 1970s)

Sargeant: **identifying temp promotions and differences in pensionable pay between schemes**

Matthews: **pay and employment records not being available**

**Q23**

For Matthews, eligible individuals will have the opportunity to buy scheme membership back to the start date of their employment. We are interested to know if you will still have access to historic employment records. How many years do your employment records go back:(Please answer in whole numbers)

15

Page 4: Section 2: Data - pay, service, and contributions

**Q24**

Which department currently manages business as usual (BAU) contribution deductions:

Payroll

**Q25**

Which department will manage your remedy contribution adjustment process:

Payroll for active members /Pensions- deferred and Pensioner members

---

**Q26****Yes**

Will you be able to obtain/ calculate backdated contribution data:

---

**Q27**

Do you expect to apply different solutions for different types of member e.g. active, deferred, pensioner:

**Yes,**

Is yes, please give more details::  
for active members adjustments through payroll, for deferred and pensioners, gross contributions deducted and individual will have to claim tax relief from HMRC,

---

**Q28**

Which department will manage adjustments to tax relief (PAYE):

Payroll

---

**Q29**

The HMT consultation response indicates that interest will be due on amounts paid to and from the schemes. Which department will manage the interest process:

Payroll for Active, Pensions for deferred and leavers

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**Q30**

Please detail any issues you think might occur with adjustments of contributions:

tax issues for non active members, claiming back tax or being taxed for receiving unauthorised payments for contribution holidays. change in payroll system within period means that EYU can not be completed online and correspondence with HMRC becomes more time consuming.

---

### Page 5: Section 3: Processes and impact

**Q31****Yes**

Are you confident that existing tax processes are robust enough to perform annual allowance recalculations for up to 7 years of remedy:

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**Q32****Administrator**

Who undertakes Event Reporting to HMRC on scheme pays and unauthorised payments:

---

**Q33** **Yes**

Does your FRA have a voluntary scheme pays (VSP) policy in place:

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Page 6: Section 3: Processes and impact

**Q34** **Yes**

Do you have a nominated finance lead on pensions:

---

**Q35** **Don't know yet**

Do you expect to need additional resource to deal with financial adjustments and impact on BAU:

---

**Q36** **No**

Do you have an allocated budget for direct and indirect remedy costs:

---

Page 7: Section 3: Processes and impact

**Q37** **Yes**

Do you have a nominated legal lead on pension matters:

---

**Q38** **Yes**

If yes to Q37, is that person your "nominated contact" for the proceedings in Sargeant that are managed collectively by the LGA:

---

Page 8: Section 3: Processes and impact

**Q39**

Who leads on workforce planning and retention for your FRA:

Andrew Dunn - HROD

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**Q40** **Yes**

Is the potential impact of Sargeant remedy being modelled into plans:

---

**Q41** **Yes,**  
If yes, please confirm approximate numbers::  
 Are you able to identify the cohort of members affected by Sargeant remedy: 30

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Page 9: Section 4: Information, communication, and coordination

<p><b>Q42</b></p> <p>Following the confirmation of deferred choice underpin (DCU) in Sargeant, please indicate what information you would like members to have access to (tick as many as apply): Please note this is not a menu or guarantee of delivery. It will allow us to understand individual FRA preferences but does not guarantee delivery of any of the options.</p>	<p><b>Scenarios for all member cohorts across the schemes</b></p> <p>,</p> <p><b>Online tool directly linked to scheme membership data</b></p> <p>,</p> <p><b>Limit remedy figures to members eligible for Immediate Detriment</b></p> <p>,</p> <p><b>Remedy figures for members within X years of retirement</b></p>
<p><b>Q43</b></p> <p>Are you currently providing information to individual members:</p>	<p><b>Yes,</b></p> <p>If yes, please provide details: :</p> <p>for members who meet the criteria for immediate detriment, benefits based on both options Legacy and mixed benefit.</p>
<p><b>Q44</b></p> <p>Who do you think should provide information such as FAQs at key points in the remedy process:</p>	<p><b>LGA</b></p>
<p><b>Q45</b></p> <p>Who do you think should be the main contact for individual member enquiries:</p>	<p><b>Administrator</b></p>
<p><b>Q46</b></p> <p>Who do you think should provide information to the workforce on timescales, next steps etc:</p>	<p><b>Administrator</b></p>
<p><b>Q47</b></p> <p>On a scale of 1 to 10 (1 being the lowest), please indicate how well you feel your FRA communicated the first special members options exercise in 2014/2015:</p>	<p><b>7</b></p>
<p><b>Q48</b></p> <p>Do you feel that communication was reflected in the numbers of individuals choosing to become a special member:</p>	<p><b>Don't know</b></p>
<p><b>Q49</b></p> <p>Please detail any suggestions for improvement for communicating the second options exercise:</p> <p>set guidelines for what is considered as best endeavours and template letters setting out options and disclaimers</p>	



**Q50****Regional collaboration**

How best would implementation of remedy be coordinated across FRAs in England:

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**Q51****Yes**

Does your FRA have a remedy project team:

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**Q52****Yes**

If yes to Q51, does this include your administrator:

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Page 10: Section 5: Knowledge, capability, and capacity

**Q53**

On a scale of 1 to 10 (1 being the lowest), please indicate the level of internal pensions knowledge and capacity within your FRA:

☆

7

**Q54****Buying in additional third party services**

What measures are you considering to address any shortfall in capacity (tick all that apply):

---

**Q55****Yes**

Has remedy implementation been identified as a risk on your corporate risk register:

---

**Q56****Yes**

If yes to Q55, has this been reported to your Local Pension Board:

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**Q57****LGA on behalf of FRAs**

Who do you feel is best placed to lead on policy engagement with central government on the legislation needed to bring in age discrimination remedy:

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**Q58****LGA**

Who do you feel is best placed to lead on direct service wide communication or provision of content for communication:

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**Q59****LGA on behalf of FRAs**

Who do you feel is best placed to lead on engagement with pension administrators on implementation:

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**Q60**

On a scale of 1 to 10 (1 being the lowest), how useful has this survey been to identify gaps in your planning:

☆

**10**

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